JAN COMPANY IN COROMANDEL

1605-1690

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1605 – 1690

A Study in the Interrelations of European Commerce and Traditional Economies

BY

TAPAN RAYCHAUDHURI

Reader in Economic History, Delhi School of Economics

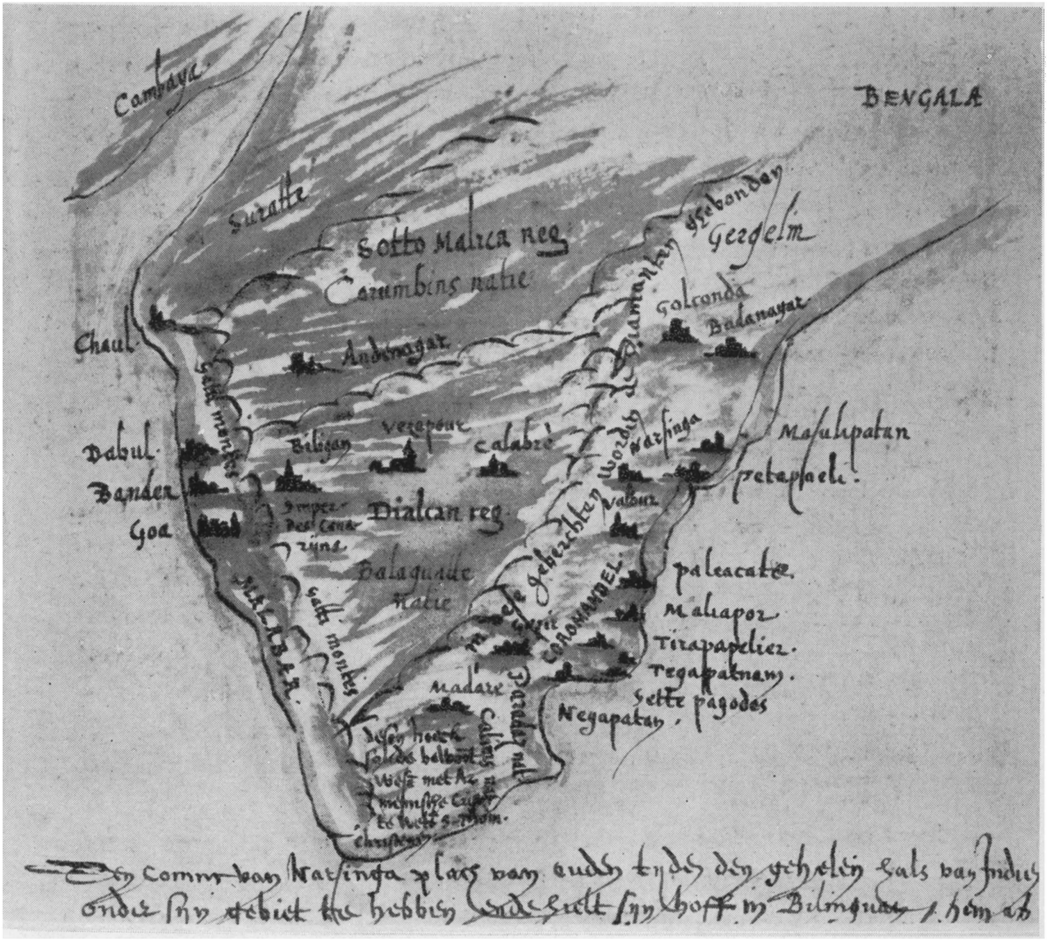
'S-GRAVENHAGE — MARTINUS NIJHOFF — 1962

To the memory of our guru

Sir Jadunath Sarkar

whose life and work will ever remain a source

of inspiration to historical researchers in India



A 17th Century Dutch map of Peninsular India

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PREFACE

Almost any historical study of the Asian economies has to tackle one basic question, — their relatively unchanging character or 'stagnation'. Explanations of this phenomenon have been attempted on various levels, — oftener abstract and theoretical than concrete and empirical. Theoretical approaches to the problem have generally suffered from one serious limitation, namely, a failure to identify the precise extents of stagnation which evidently varied from region to region and period to period. Moreover, they have been concerned in the main with the subsistence sector of the economy where production was primarily for use or, at most, for limited exchange operations meant to secure the wherewithal for the payment of revenue in cash, there was no accumulation of capital nor any localization of specialised productive activity. The one possible force of change that might be generated in this sector could consist in tensions threatening to break up the existing production relations. Recent research indicates that such tension was not absent in the Indian economy.[1] But even in the classic case of Europe, the conflicts within the structure of feudal production relations were not by themselves sufficient to alter the organisation and technique of production. Positive forces at work in the commercialized sector of the economy provided the basis for the penetration of capital into production and the vast changes which followed. In the Asian economies of the pre-industrial era, a monetized non-subsistence sector, — (which had close links with the subsistence sector in Asia as much as in Europe), — marked by accumulation of capital and specialization of economic functions, was not absent. Its quantitative significance might not have been very considerable, but a study of the problem of stagnation cannot afford to ignore the failure or otherwise of this relatively more developed sector to generate processes of change.

The 17th century, — a period when Asia was exposed to the powerful impact of the European merchant capital, — offers a very convenient field for the study of the responses of the commercialized sector in the

[1] See Irfan Habib. *Agrarian System of Mughal India* (unpublished D. Phil. thesis. University of Oxford).

traditional Asian economies to a positive external stimulus. The capacity for and proneness to innovation may be gauged, and the factors built into the structure of the economy which inhibited them identified, through an analysis of the reactions of a particular region to the operations of organized merchant capital. Comparison of the responses which appear to have varied from region to region may afford a deeper insight into the problem.

The present volume is a case-study built around this basic query. The region selected is the coast of Coromandel, because its products were among the chief pivots of the seventeenth century Euro-Asian trade, and because the region had attained a high degree of commercialization. Besides, the trade in Coromandel ware covered an extensive area from the Red Sea to Japan and thus offers an intimate glimpse of the workings of the Asian economies. The specific concern of this volume is with the trade relations of the Dutch East India Company with the coast. They provide a unifying theme which yields itself easily to detailed analysis of the interactions of European merchant capital and a traditional Asian economy. Besides, during the greater part of the 17th century, the Dutch played a dominant role in this vital sector of India's commerce which remains to be appreciated fully. Their activities dovetailed with those of other European nations operating in the same area, — sometimes in co-operation, oftener in rivalry, — and thus afford a vantage point for a study of the total complex of commerce in the region. The expanding efforts of the Indian traders appear as a significant element in this complex.

The picture which emerges is of interest to the student of European mercantilism: it includes the workings of a monopolistic merchant company in an alien and highly individual setting, the concrete problems it had to encounter and the modifications in policy and technique consequenced by them. To the student of Asian economies it is significant as revealing different levels of economic development within the broad framework of relative stagnation. Furthermore, the picture is one of growth-oriented impact, to use a very modern term, in the specific sense of expansion of production and productivity. This result appears to have been causally related to the competitive and expanding demand created by the expansion of the export market through the activities of the European companies and the absence of monopsonistic controls.

The results of the query, pursued along the lines indicated above, are, however, far less statisfactory than one might desire. One gets at best hints towards an answer rather than the answer itself. Systematic

quantitative data for production, import and export are not available. The sources refer casually to the techniques and organisation of production, rather than describe them at length. Conceivably, a person better equipped than the present author might construct from such elusive data a sharply outlined analytical account of the processes at work.[2] I have preferred the more pedestrian approach, — the method of detailed narration comprising the significant data, — as being the more realistic in the circumstances. The conclusions which emerge have been brought together in the last chapter. Anyone using this volume may find it advantageous to read that chapter first. The volume includes a narrative account of the annals of the Company on the coast (Chapters II - IV). This account contains details that are not of obvious economic significance; but, for a full understanding of the central story, I considered its inclusion necessary. Besides providing a chronological framework, it illustrates the institutional background, the quick reactions of the economy to the political changes and the concrete situations within which the Company had to function. A description of the Company's administrative organisation and the social life of the Dutch on the coast has also been included, the former as an aid to the understanding of much that was happening, the latter, to give a glimpse of the complex human reality interwoven with primarily economic efforts.

The present work is mainly based on the voluminous records of the Dutch East India Company preserved at the Algemeen Rijksarchief, The Hague. The full importance of this archival material for the study of Asian economic history is beginning to be appreciated only in recent years. Dr. Glamann's major work on the Dutch-Asiatic trade and the two excellent volumes on the Dutch in Ceylon,[3] — all published within the last five years, — indicate the variety and volume of data contained in these records. For the student of Indian economic history in the 17th and 18th century, these records are at least as important as the English factory records. The information supplied is often much fuller and more detailed. The Dutch records are also better organised than their English counterparts and much more complete. It is hoped that this volume will convey some idea of the richness of this little-exploited source material for Indian history. The *Bibliography* at the end describes the Dutch Company records at some length.

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[2] One may refer in this connection to Mr. John Irwin's very able papers, "Indian Textile Trade in the Seventeenth Century", *Journal of Indian Textile History,* No.s 1—4.

[3] See *Bibliography*.

A few remarks regarding the treatment of data and certain technicalities may be added here. The detailed quantitative data concerning the volume of the Company's trade contained in the old "negotieboeken" are no longer available. So only illustrative material, showing the general tendencies of export and import, have been given and no attempt has been made to measure the trends. The 'pound' in the present work refers to the Dutch or Holland pound (about 1.09 lb). In the statistical tables for the volume of trade, all fractional amounts have been left out. For the Dutch proper names as also Indian place names, I have used the forms of spelling commonly found in the old records. Finally, in the sub-title, the somewhat vague term, 'traditional economy' has been used in the absence of a more suitable one to describe accurately the economy of the region in the period under discussion.

I have received help from many sources in writing this volume. I am particularly grateful to Dr. C. C. Davies, Reader in Indian History, University of Oxford, under whose supervision the first draft of the present work was prepared as a doctoral dissertation. My friend Mr. Martyn Webb, Lecturer in Geography, University of Oxford, kindly prepared the two modern maps at the end of the volume. Mrs. Meilinck-Roelofsz and Dr. N. M. Japikse of the Algemeen Rijksarchief, The Hague and Mrs. N. M. Japikse helped me throughout my work at the Hague Archives. But for their help, this volume could not have been written. Professor Hirendranath Ray of the Department of Humanities Durgapur Engineering College, W. Bengal, Dr. E. N. Komarov, Soviet Cultural Attaché, Calcutta, Dr. Sulekh Chandra Gupta, Assistant Chief, Agricultural Research Section, University of Delhi, Professor Daniel Thorner of the École Pratique des Hautes Études, Sorbonne, and Dr. Barun Dé of Nuffield College, Oxford, kindly went through the manuscript. I am grateful to them for many valuable suggestions. I have also profited much from discussions with Dr. K. A. Naqvi of the Delhi School of Economics and Shri Ranajit Guha of the Jadavpur University, Calcutta. I am beholden to the Koninklijk Instituut voor Taal-, Land- en Volkenkunde for undertaking the publication of this volume.

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TAPAN RAYCHAUDHURI

ABBREVIATIONS

(For further details, see Bibliography)

Abbreviations	*Full title, etc.*
Aurangzib	J. Sarkar. *History of Aurangzib.*
Baldaeus	P. Baldaeus. *Naauwkeurige beschryvinge van Malabar en Choromandel.*
Bowrey	T. Bowrey. *A Geographical Account of the Countries round the Bay of Bengal.*
C.H.I.	*Cambridge History of India.*
Coen	*Jan Pietersz Coen. Bescheiden omtrent zijn bedrijf in Indie.*
C.S.P.	*Calendar of State Papers, Colonial Series, East India.* Edited by E. Sainsbury.
De Jonge	J. K. J. de Jonge. *De opkomst van het Nederlandsch Gezag in Oost Indie.*
D.R.	*Daghregister gehouden int casteel Batavia.*
E.F.I.	*English Factories in India,* edited by W. Foster, *New Series,* edited by Fawcett.
K.A.	*Koloniaal Archief, Algemen Rijksarchief, The Hague.*
L.M.	Livros das Monções.
L.T.	Lisbon Transcripts, India Office Library, London.
MacLeod	N. MacLeod. *De Oost-Indische Compagnie als zeemogendheid in Azie.*
Master	*The Diaries of Streynsham Master.* Edited by R. Temple.
Mir Jumla	J. N. Sarkar. *The Life of Mir Jumla.*
Nederlandsch Indie	*Geschiedenis van Nederlandsch Indie,* Vol. III. Edited by F. W. Stapel.
Nieuhoff	Johan Nieuhoff. *Zee- en lantreize door verscheide gewesten van Oost-Indien.*
Nusantara	B. H. M. Vlekke. *Nusantara.*
Purchas	S. Purchas. *Purchas his Pilgrimes.*
P. v. d. B.	P. v. d. B(urg). *Curieuse Beschryving van verscheyde Oost-Indische Gewesten.*
Relations	W. H. Moreland. *Relations of Golconda.*
Sewell	R. Sewell. *A Forgotten Empire.*
Tavernier	J. B. Tavernier. *Travels in India.*
Thévenot	Thevenot's Travels in *Indian travels of Thevenot and Careri,* edited by S. N. Sen.
Valentijn	F. Valentijn. *Oud en Nieuw Oost Indien.*
Van Dijk	L. C. D. van Dijk. *Zes Jaren uit het leven van Wemmer van Berchem.*
Vijayanagara History	K. A. N. Sastri and N. Venkata Ramanayya *Further Sources of Vijanayanagara History.*

Only dates and folio numbers of the documents used have been mentioned in the foot-notes. Other necessary details are given for the volumes which are not paginated.

Several works not included in the above list have also been referred to in the footnotes only by the name of their authors. Full details are given in the bibliography.

CHAPTER I

THE BACKGROUND

The European accounts of the seventeenth century used the name 'Coromandel Coast' somewhat loosely. In its widest sense, it embraced the entire east coast of the Indian peninsula. More specifically it was taken to mean the part of the coast lying to the south of the Godavari river and extending as far as Negapatam or even to the island of Manar, 'which marked the limit of ordinary coastal navigation'. The coast to the north of the Godavari was known as the Gingelly coast, a name at times used as synonymous with the 'Orissa coast.' [1]

The Dutch East India Company's connection with Coromandel developed as a bye-product of its chief commercial interest which centred in the export of spices from the Indian Archipelago to Europe. During the greater part of the sixteenth century, the Portuguese enjoyed a monopoly of the sea-borne trade between Asia and Europe, — which mainly consisted in the export of spices from India, Ceylon and the Spice Islands, — and the Dutch were content to act as the principal distributors from Lisbon. When, in 1580, the crown of Portugal passed to the King of Spain, then at war with the provinces of the Netherlands, the Dutch were forced to seek a direct access to the spice markets in south-east Asia, a necessity which led to a series of voyages from 1596 onwards and the eventual formation of the Dutch East India Company in 1602.[2]

From its very beginning, Dutch commercial enterprise in the East had to face the problem of inadequate capital. Mercantilist theory and a limited supply of precious metals acted as rigid checks on the quantity of bullion and cash specie which could be shipped to Asia and there was little demand in the Asian markets for any other exports from Europe. There was, however, one commodity which was readily acceptable to the producers of spices and hence, if procured in adequate quantities, could make up for the shortage of precious metals. As Admiral Cornelis Matelief pointed out in 1607, throughout the East

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[1] *Relations,* p.51 and n; du Jarric, pp.31—32; Bowrey, pp.2—3; *Hobson-Jobson,* pp.198—200.

[2] Cambridge History of India, V, pp.28 ff.

Indies the people were clad in Indian cloth and would buy it "no matter what it cost".[3] The requirements of the spice trade thus induced the Dutch Company early in its career to prospect for trade in India.

The three chief sources for the supply of Indian textiles were Gujarat, Coromandel and Bengal. So long as the Portuguese, firmly entrenched in Goa, guarded the west coast of India with their powerful fleet, Gujarat was for all practical purpose out of bounds to the Dutch. Attempts to open trade with Gujarat as early as 1601 had, in fact, led to tragic failure and it was not until some years later that the Dutch could establish stable commercial connections with this region.[4] In Bengal, the political conditions in the early years of the seventeenth century were too troubled to encourage commercial venture. Besides, there too the Portuguese settlements at Hugli and elsewhere controlling some of the chief waterways put further barriers in the way of any Dutch efforts to open trade with the country. The Indian textiles which were chiefly in demand in the East Indies came from the Coromandel coast. And fortunately for the Dutch Company the east coast of the Indian peninsula, though not entirely neglected by the Portuguese, played a comparatively unimportant role in their commerce and consequently was less subject to their monopolistic control. When the Portuguese organised their eastern possessions under three governments, Coromandel was not included in any of them. Their two semi-autonomous settlements on the coast were not strong enough to frustrate any attempts on part of the Dutch to open trade with the region. In fact, long before the Dutch arrived in India, van Linschoten found San Thomé and its trade in a state of progressive decline. Hence in the early years of the seventeenth century, the Dutch came to look upon Coromandel as the most vital and a comparatively easy source of supply for Indian textiles.[5]

A further important consideration was the convenient situation of Coromandel in the strategy of eastern trade. From the ports on the east coast of the Indian peninsula the countries round the Bay and on the shores of the Indian Ocean were all quite easily accessible. The long-established trade in 'coast cloth' had already chalked out the routes which the Dutch could now follow with ease. As later experience showed,

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[3] *Begin ende Voortgang,* II, C. Matelief's voyage, p.75; *Relations,* pp. xxi—xxii; "De Nederlanders in Voor Indie etc.", *De Indische Gids,* 1915, p.332.

[4] L.T., I., L.M., Document No. 502; Cambridge History of India, V. p.33.

[5] *Koromandel,* pp.22—23; *Begin ende Voortgang,* II, Matelief's voyage, p.75; Linschoten, I, pp.82, 89.

the Company, with Coromandel as a chief centre of its enterprise, could conveniently prospect for trade with other countries round the Bay. Besides, the overland routes which connected Coromandel with other parts of India offered a chance of securing the products of Gujarat and North India without going to the additional expense of opening factories with those regions, at least for the time being.[6]

Coromandel itself could supply a number of commodities besides cloth which were important for the inter-Asian trade. The 'Informatie' given to van der Hagen on the occasion of his voyage in 1603 took note of the fact that Masulipatam, with its rich hinterland, was very conveniently situated for revictualling ships. Two commodities exported from Coromandel, namely, iron and steel, were in great demand throughout south-east Asia and once trade with the coast was opened, the Dutch could also count on a variety of minor items to supplement their return cargoes.

In the period when the Dutch first came into contact with the region, north Coromandel, — from the Godavari to the Pennar, — was included in the Qutb Shahi kingdom of Golconda, one of the five Deccan sultanates which arose after the disintegration of the Bahmani Kingdom. The sultanate of Golconda, the easternmost of the five kingdoms, was established in 1612 and her territory extended roughly from the frontiers of Orissa in the north to the Pennar river in the south. On the west, it was bounded by the territories of Bijapur and Ahmadnagar. Throughout their history, the relationship between the five Kingdoms was marked by 'kaleidoscopic alliances and almost continual war' in the course of which Berar was absorbed by Ahmadnagar in 1574 and Bidar by Bijapur in 1619.

With Akbar's attack on Ahmadnagar in 1596 and his subsequent annexation of a large part of the kingdom, the Deccan sultanates were first brought face to face with the menace of Mughal imperalism. The pressure on Ahmadnagar continued during the reign of Jahangir and Bijapur entered into a defensive alliance with the sister kingdom. Except for occasional pecuniary help to Ahmadnagar, Golconda remained aloof from the conflict. For Sultan Muhammad Quli (1580—1612) was concerned more with the Carnatic, Orissa and Bastar, than with the developments in the north-west. These developments were however full of serious implications for Golconda as well, a fact which became patent in the course of the next half century.[7]

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[6] De Jonge, III, p.151; K.A.967, Lodewijk Ysaacx, 'Informatie enz.'

[7] C.H.I., III, Chs. xvi—xvii, IV, pp.260 ff; *Relations*, pp. xiii ff, 10 and n.

The southern part of Coromandel was included in the Vijayanagar Empire,[8] which was separated from its Muslim neighbours in the north by the Krisha and Pennar rivers. Probably founded a little earlier than the Bahmani kingdom in the first half of the fourteenth century, this Hindu empire of the south became the traditional enemy of the Muslim kingdom and its five successor states, some of whom, in their mutual struggles, formed an occasional alliance with the Hindu rulers.

For more than two centuries, the power and wealth of Vijayanagar rivalled those of the greatest empires of the time, until, in 1564—65, a confederacy of the Muslim powers, including Ahmadnagar, Bijapur, Golconda and Bidar, decisively defeated the Vijayanagar army at Rakshasa-Tangadi and destroyed the Hindu capital. The empire never really recovered from this blow, though it continued an enfeebled existence for several decades, with its capital first at Chandragiri and then at Vellor. The Golconda and Bijapur kings, taking advantage of Vijayanagar's weakness, made repeated incursion and annexed large parts of its northern territories, often with the help of the treacherous local chieftains. The *nayaks* or provincial and district governors, the commanders of fortresses, the *poligars* or local chiefs vested with administrative authority, and other hereditary chieftains also gathered power during the anarchy which followed the disastrous battle. Pre-eminent among such semi-independent feudatories were the *nayaks* of Gingi, Tanjore and Madura, part of whose territories covered a wide tract of south Coromandel. Their internecine wars and acts of defiance against the feeble authority of the so-called emperor further weakened the state.

In the course of his long reign, King Venkata II (1586—1612) succeeded in instilling once more some vigour into the decadent empire. He recovered most of the territories captured by Golconda, again pushing the frontier nearly as far north as the Krishna river. The attempts of many nobles and *poligars* to carve out independent kingdoms were also crushed. So great indeed was his power that du Jarric, quoting Pimenta, described him as "still one of the most powerful monarchs of Asia'.' But, this was really an exaggeration, for his success was by no means unqualified. The Kondavidu district still remained in the hands of Golconda. The power of the great *nayaks* was but little curbed. The Vijayanagar empire still remained a congeries of semi-independent principalities loosely held together by the suzerainty of an ineffectual overlord, who

[8] In the seventeenth century, the territory governed by the Vijayanagar kings was often referred to as the 'Carnatic kingdom', which name has been generally used in the present work.

had only a small territory under his direct control. Venkata's comparatively vigorous rule had merely postponed the total eclipse of the empire.[9]

Besides the kingdoms of Golconda and Vijayanagar, the Dutch had also to reckon with the Portugese settlements of San Thomé and Negapatam, situated in the territories of the *nayaks* of Gingi and Tanjore respectively. In the sixteenth century, the Portuguese sought to dominate the sea-trade of Asia by acquiring possession of a few strategic outposts, whence their fleets could control the main sea-routes. Their colonies at Malacca in the east and at Goa, Cochin and Colombo in the west were considered adequate for the purpose of dominating the Bay of Bengal and the Arabian Sea, so that no territories were acquired on the east coast of India. Still, in the early decades of the sixteenth century, some Portuguese trading settlements grew up along the coast which "if not subject to, [were] at least inhabited and defended by the Portuguese." Nominally subject to the authority of the local Indian governments, these sttlements, — of which only San Thomé and Negapatam surived till the early years of the seventeenth century, — were independent for all practical purposes, and even had fortresses of their own. Besides, there were groups of Portuguese settlers in important centres of trade like Masulipatam. Their relations with the local authorities were generally friendly and the Dutch, during the early years of their trade in Coromandel, had to come up repeatedly against the great influence which the Portuguese had with the Indian princes and nobles. The relationship of these settlements with Portugal and Goa were somewhat vague and ambiguous. Du Jarric mentions that there was a Captain of the Coromandel Coast, subject to the authority of the Viceroy at Goa in 1521—22, but does not specify the nature of his functions. A letter from the Spanish king in 1620 also refers to the appointment of a *fidalgo* of the royal household to this office. Again, in 1616, Viceroy de Azevedo sent Ruy Diaz de Sampayo to appease the prevailing disorders in San Thomé. At about this time, Barradas informs us, San Thomé liberated itself, taking advantage of the confusion which followed the death of King Venkata II in 1614 and the Viceroy of Goa took possession of it in the name of the king of Spain. The accuracy of this statement is however open to question. Methwold's assertion, that the Coromandel Portuguese "neither assist in person or contribution the

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[9] *Purchas,* X, pp.210, 217; *du Jarric,* pp.555 ff, 566; *Relations,* pp. xiv, xvi, 2—3; *Sewell,* pp.211—12; *Vijayanagar History,* I, chs. xxiii—xxiv.

general affaires of India, but are, with their consorts the Portugals inhabiting Bengals, accounted Levantadoes del Rey,[10] exempted from their Princes protection", seems to be nearer the truth. Following the establishment of the Dutch in Coromandel, Madrid and Goa took more interest in these outlying settlements in a combined effort to oust the hated rivals, but San Thomé and Negapatam do not appear to have been brought under any direct control of the Viceroy even then.[11]

Many of the problems which the Dutch had to face in Coromandel are traceable to the administrative conditions of the region. Here, again, there were basic differences between the southern and northern parts of the coast.

Golconda was governed by an autocratic ruler who possessed a fair measure of centralized authority, though the degree of centralization and the extent of royal power depended largely on the personality of the king. The king was assisted by a number of high functionaries with wide powers but ill-defined functions. The king's chief minister was known as the *peshwa* or *peshwa-i-kul.* Next to him, there was the *mir jumla* whose title literally meant "the chief of the collections". Strictly his office was that of finance minister, but his duties often embraced police and military functions. Similarly, the *sar-i-khail,* or chief of cavalry, had to discharge civil and revenue functions as well. Thus there was no clear demarcation between the functions of the three highest officers of the state and occasionally the same person held more than one of these offices at the same time. Such a system could lead to an extreme concentration of authority and render one man all-powerful in the kingdom for a time, as was the case when the famous Mir Muhammad Sayyid became *mir jumla.* The king was also assisted by a council of advisers called the *majlis,* the members of which were known as *majlisian.* Then there was the larger body of courtiers or attendants called *mulaziman,* many of whom enjoyed considerable power and influence in proportion to the degree of royal favour bestowed on them.

For administrative purposes, the country was divided into districts or *mahals,* administered by governors called *sar-samts.* Apparently there were exceptions to this system and some regions were placed under the authority of military commandants called *sar-i-lashkar.* The districts

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[10] Probably means 'rebels against the King.'

[11] *Relations,* pp. xx, 2n, 3, 5, 53, 69; *Sewell,* pp.230—31; *Purchas,* X pp.108—9; Gasparo Balbi, *Viaggio dell' Indie Orientali* (Venice, 1590), pp.81 ff; du *Jarric,* pp.518 ff, 503 ff, 548—49; *Faria Y Sousa,* II, p.501, III, p.249; *infra,* Chs. II and III.

were divided into smaller administrative units governed by *havaldars* or local governors.[12]

Thus Masulipatam, administered by a *havaldar,* was a part of the larger district, Mustafanagar, governed by a *sar-samt.* The *havaldar* of Masulipatam, as the governor of the chief port in the kingdom, had a special importance and his office was often a stepping-stone to higher posts in the central government. Two other officials who were important in the local administration were the *kotwal* or the chief police officer of the town and the *shahbandar,* or the officer in charge of the port.

The administration of the district and smaller units was closely linked up with the system of revenue-farming or *chuda-dari.* In theory, apparently, there was no necessary connection between the farming of revenue and the governorship of an administrative unit, but in actual practice the governorships were auctioned annually as a revenue-farm and given to the highest bidder. A specified amount of the revenue was granted to the governor for the maintenance of his position and for the payment of those employed in the administration. Besides, he was free to keep for himself everything above the amount for which he had contracted. As there was little interference with the governor's administration so long as he paid the revenue, this system inevitably encouraged rack-renting and violent oppression. The short and insecure tenure of their office made the governors indifferent to the misery of the people under them. And the fear of heavy punishment or even execution in case of failure to pay the revenue at the end of the year urged them to still greater severity. The fact that the governor's subordinates seldom received cash, but were "paid in unhusked rice, salt, or some other grain, reckoned at one-third at least above the true value," created a whole class of petty tyrants who added to the burdens of the poor. At times the governor would lease out the revenue-farms to other people at rates higher than what he had contracted for and such lesees in their turn would, of course, try to extort as much as they possibly could from the subjects. The system of farming was introduced into the sphere of trade and commerce as well, the right to trade in particular commodities or, later, with the European companies, being often farmed out to a few merchants as a monopoly. The reckless quest for immediate gain which resulted from the system of revenue-farming was the chief source of

[12] The Dutch referred to the *sar-samt* and *havaldar* as 'great governor' and 'governor' respectively. In the present work the term 'governor' has been used for the officer in charge of the district and 'local governor' for the officer in charge of the smaller administrative unit.

the troubles of the English and Dutch companies who had to wage a continuous struggle against the illegitimate demands and restrictive measures of the local authorities or buy their favours through expensive presents.

In contrast to the rapacious local officers, the central government, eager to foster sea-borne commerce, was friendly and liberal in its attitude to foreign traders and complaints usually received a favourable hearing at the court. Missions to Golconda were however an expensive business and the European traders had to contend with obstructive governors and their influential friends at the capital.[13]

The chief point where the administration of Vijayanagar in the seventeenth century differed from that of Golconda was that in the Hindu state centralised administration had practically disappeared. The administrative structure of the Vijayanagar empire, once held together by the personal ability of great rulers, contained seeds of disruption even in its best days. The provincial administration then had for its pivot a military officer called *durga-dannaik*, who maintained law and order from a number of forts under his command. The *durga-dannaiks* were recruited from a class of nobles called *amaranayakas* who held lands by military tenure (*amaram*), paying stipulated tribute and maintaining troops for the king. True, the *amaranayakas* were tenants at will and the *durga-dannaiks* held their office at the king's pleasure. But once defeat in war had weakened the hands of the central authority, the nobles and military governors, firmly entrenched in their forts and landed estates, wielded supreme power in their respective territories and not even the vigorous rule of Venkata II could effect any basic change in the situation. The *poligars* in the south also acquired a similar position of independence, though the nominal suzerainty of the king at Vellor continued to be recognized throughout the empire.

The internal administration of the semi-autonomous principalities into which the bulk of the empire now disintegrated have so far defied attempts at reconstruction. It is only known that much of the confusion prevalent in southern India during the seventeenth century was due to the mutual struggles of these chieftains and feudatories. The *nayaks* with whom the Dutch came into contact in the early days of their trade in south Coromandel were those of Gingi and Tanjore. Pulicat, where

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[13] For the administration of Golconda, see "Some Aspects of the Qutb Shahi Administration of Golconda", *Journal of the Bihar Research Society*, 1944; *Relations*, pp. xvii, 10—11, 54, 55—7, 77, 79, 81—3; *Floris*, pp. xxii, 14 ff, 17, 19, 114—15; *Thévenot*, p. 131; *infra*, Ch. III.

the Company eventually established its chief factory, was in the territory directly controlled by the king and ruled at the time by a female governor, Condama, on behalf of a queen to whom the port town had been granted as a privy-purse.

The system of revenue-farming, so widely prevalent in Golconda, was not unknown in the Hindu territory. Even in the old days, the revenue in many places was farmed out to contractors and the *nayaks* imitated the central government in this matter. In the seventeenth century we often find the great Hindu merchants taking large areas in lease in a way which suggests that a certain measure of governmental authority devolved on the revenue-farmers, but in the south the system never became so universal as in Golconda. The condition of the subjects, however, was not any better for that reason, as the system of taxation was extortionate in the extreme. There was little to choose between the kings and the *nayaks* in this respect and mass migration by the peasants was about the only check on governmental rapacity. The European companies had however a comparatively easy time in the south, because both the king and the *nayaks*, unlike the temporary gevernor-farmers of Golconda, were interested in developing the overseas trade of their country.[14]

Coromandel, like the rest of India, had a predominantly agricultural economy, but its pattern was not uniform throughout the region. North Coromandel, — particularly the Masulipatam area and regions further north, — produced rich harvests of food crops, mainly rice, millets, and some wheat, which were exported in large quantities to other parts of the country. The region south of the Pennar, on the other hand, appears to have been a chronically deficit area and had to import provisions from north Coromandel and Orissa. Besides food crops, the coast also produced a quantity of dye-crops, used for dyeing textile products. Of these, indigo was grown in several parts of the country, but the products of the Masulipatam and Tierepopelier areas were considered the best. Chay-roots, used as red dye, came mainly from Pulicat and Petapuli and the best quality stuff was produced in Tambreve, a small island off Petapuli. The other chief agricultural products included tobacco, grown largerly for export, and cotton which was mostly produced in the inland areas. Provisions were cheap throughout the region even by contemporary standards.

[14] N. V. Ramanayya, *Studies in the History of the Third Dynasty of Vijayanagara,* (Madras, 1935), Chs. IV and V; Sewell, pp.213—214; B. A. Saletore, *Social and Political Life in the Vijayanagara Empire* (Madras, 1934), I, pp.329, 330, 354, 378, 379.

Iron, steel and saltpetre constituted the chief mineral wealth of Coromandel. Diamonds from the Gingi district and the Kollur mines in Golconda reached the coastal markets and eventually became, for some time, one of the chief exports of the Dutch. Bezoar stones, a supposed antidote for poison extracted from goats and some other animals, was also of some value as an export.[15]

Among the industrial products of Coromandel, cloth was by far the most important and much in demand, not only in the local markets, but in most places which had trade connections with the coast. The factory records of the seventeenth century mention a bewildering variety of names for the different types of cloth manufactered at the time. All these varieties, however, may be classified under two main heads: piece-goods and ready-made clothing. The piece-goods, — sold either by the 'piece' of conventional size, or by the 'corge', that is the score of pieces, — were plain cotton cloth marketed either brown, bleached or dyed red or blue. The two chief varieties were calico, a stout cloth, and muslin, which was thinner. These were "produced in various qualities, depending on the fineness of the yarn, and the number of threads to the inch." Besides, Coromandel produced a quantity of sail-cloth, mainly for local consumption. Ready-made clothing which involved little tailoring, was also made of calico and muslin, but, unlike the piece-goods, was generally patterned. The patterns were at times produced by the use of coloured yarns, but it was more common to print them with wooden blocks or paint with a pen or stile. The printed variety was known as *chintz* and the painted as *pintadoes* or simply 'painted' cloth, the craftsmen who produced the patterns on the latter being called 'painters'. Coromandel was famous for her 'painted' cloth which was the chief variety of patterned cloth produced in this region.

The most important article of clothing exported from Coromandel was the *tapi* or skirt, widely used by both sexes in south-east Asia. Shawls, turbans and sashes also had good market abroad. Textile production had developed a certain amount of localisation in this period, and though both plain and patterned goods were available throughout the coast, Golconda was the chief source of supply for the former while south Coromandel produced the best *pintadoes*.[16]

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[15] *Relations,* pp. xxviii ff, 8, 32, 34 ff, 54 ff, 61, 68, 77; Purchas, X, p.172.

[16] *Relations,* pp. xvii ff, 52 ff, 64, 80; Floris, pp. xix ff; Terpstra, "De Nederlanders in Voor-Indie bij de stichting van het fort Geldria te Paliacatta". *De Indische Gids,* 1915.

Besides cloth, Coromandel also produced a fair amount of cotton yarn, cordage and gun-powder, Masulipatam was the chief centre for the manufacture of gun-powder. Cordage, manufactured from coir, was available in quantities sufficient to meet the full requirements of the local ships. Naraspurpeta in north Golconda was the centre of a flourishing ship-building industry, and many Indian and Portuguese merchants built their ships there.[17]

Industrial production in Coromandel, as in other parts of India, was mainly carried on by individual artisans working in their own homes. William Methwold referred somewhat vaguely to master workmen, who, apparently, had craftsmen working under them. Such a system, even if known, appears to have been rather exceptional. Normally the poor artisan, provided with very little capital, was largely dependent on advances from the buyers who could thus dictate the nature, quality and quantity of the goods produced. A full-fledged putting out system, involving a deep penetration of capital into production organization had not, however, emerged. The merchant or middleman buyer who advanced a part of the required capital remained outside the production machinery, being solely interested in the finished product. For enterprises which required comparatively large-scale organisation, as in diamond-mining, individual merchants employed an adequate number of labourers to work for them. The organisation of the ship-building industry at the time is unknown. Moreland, however, suggested that a merchant requiring a great ship probably "had to arrange the whole business himself . . . or at least to organise the services of contractors for all the separate branches into which the undertaking was divided."[18]

The rudimentary character of the production organisation and the poverty of the artisan which allowed little scope for the growth of inventories had an important bearing on the organisation of trade. Anyone wanting to make large purchase had to give advance in cash. The European companies had to procure their supplies mostly through the big merchants of the coastal towns, many of whom possessed vast resources and participated in overseas trade on a fairly extensive scale. In the south, the great merchant princes were *Chettis* or Hindus of the *Komati* caste, but in Golconda most of the richer merchants appear to have been Muslims, and were often of Persian origin. The big merchants, whether procuring for themselves or for the European Com-

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[17] *Relations,* pp.63, 64.

[18] *Relations,* pp. xvii, 27; Floris, pp. xxiff; Moreland, *India at the Death of Akbar,* (London, 1920), pp.151 ff, 184—88; Tavernier, II, pp.75 ff.

panies, were largely dependent on the *Komati* middlemen who, in the words of Methwold, 'by themselves or their servants, travell into the country, gathering up callicoes from the weavers, and other commodities which they sell againe in greater parcels in the port townes to merchant strangers, taking their commodities in barter or at a price.' At times the big traders directly advanced money to the artisans or peasants, instead of operating through middlemen.

The nobles and high officers often participated in trade, a fact which proved to be a source of many troubles to the Dutch. At times the governors imposed their monopoly on some branch of local trade: at Petapuli, for instance, chay-roots were a monopoly of the governor. As has been explained later in this volume, much of the trading by nobles and officials was in the nature of feudal exploitation [19] rather than usual commercial activity.

Another problem connected with trade was the high rate of interest which could be as much as 4 % to 5 % a month.[20] Whether this was owing to an absolute scarcity of liquid capital or an excessively high demand for the same is not quite clear. As the Jan Company suffered from a serious shortage of capital needed for its investments on the coast during the early years of its activity, the high interest rate had an inhibiting influence on its volume of trade.

Coromandel textiles provided the staple for a flourishing export trade and large quantities of plain and patterned cloth were regularly shipped to all Asian countries which had direct trade connections with the coast. The demand for Coromandel cloth in Asian countries was highly specialised in nature. A particular market would only consume certain specific varieties of cloth which were often manufactured exclusively in some specialised centres of production in Coromandel. Besides cloth, the Red Sea port of Mokha received supplies of rice, tobacco, rattan, iron, steel, indigo, benzoin and lac which eventually reached various parts of Arabia. Indigo, sent overland to the west coast, was shipped thence to Persia. Among the countries to the east, Arakan imported tobacco, iron and steel from Coromandel while quantities of cotton yarn were exported to Pegu and Tenasserim. From Tenasserim, Coromandel textiles and yarns were carried overland to the interior of Siam. Iron, steel, and rice were exported to Achin, Tiku and Priaman on the

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[19] The term 'feudal' has been used throughout this volume in the limited sense of a system wherein the producer is subject to non-economie demands.

[20] *Relations,* pp.16, 35, 78; Floris, ff. xxi—xxii; K.A.976, Lodewyk Ysaacx, "*Informatie enz.*"

Sumatra coast and to Malacca, Queda and Perak in the Malay Peninsula. Further east, in Java and the Spice Islands, there was a large market for Coromandel cloth, which was also regularly shipped in quantities to Ceylon and the Maldives and, along the coast, to Bengal.

The demand for imported commodities was limited and inflexible, though in the context of the poverty of the masses, the total volume and variety of imports were not negligible. Cash specie and precious metals, used for minting coins, hoarding and purposes of display, were the commodities chiefly in demand. Besides, there was a ready market for a limited quantity of metals like copper and tin, used for manufacturing utensils, spices, pepper, several types of dye-woods and scented wood and a variety of luxury goods.

The return cargo from Mokha mainly consisted of cash specie, — Turkish sultanis and Spanish rials, — besides Arab horses and a fine cloth called camlet. From Arakan came gold, lac, and rice, while Pegu provided rubies, sapphires, large quantities of gold, some tin and quick-silver, the best lac and large earthen-ware jars called Martabans after their place of origin. Tin, eagle-wood, sappan wood used for dyeing, and various Chinese ware like porcelain, silk, aloes, satins, damascene etc. were imported from Siam *via* Tenasserim. Achin and the other Sumatra ports supplied pepper, benzoin, camphor, brimstone as also several products of China. Tin and sulphur were among the chief imports from the Malay Peninsula while the islands further east supplied pepper, spices, sandal wood, tortoroise-shell etc. Coir, used for manufacturing cordage, came from Ceylon and the Maldives, while Bengal and the Orissa coast supplied provisions, sugar, and certain varieties of cloth.

The participation of Indian merchants in the trade between Coromandel and other parts of Asia was confined to certain regions. The trade between Coromandel and Mokha was apparently monopolised by the Indian merchants, while both Indian and Portuguese traders of the coast took part in the commerce with other countries round the Bay of Bengal. As Malacca was a Portuguese possession where heavy tolls had to be paid, the Indian ships usually sailed to Queda and Perak on the Malay Peninsula and to Achin, Tiku and Priaman in Sumatra, places controlled by Asian princes. Ships of Asian merchants from Arakan, Siam, Malay and Sumatra also sailed regularly to Coromandel in quest of cloth and other merchandise. The local princes of these countries often took a direct part in the trade with the east coast of India. The direct contact between Coromandel and China had practi-

cally ceased, but Chinese traders still sailed regularly to Siam, Malay and the islands of the Indian Ocean as far as Sumatra and the required supplies of Chinese ware were secured from these places. Coromandel's trade with Java and the islands further east in this period, however, seems to have been entirely in the hands of the Portuguese, who had successfully imposed a monopoly on all trade with the Spice Islands. Their trade throughout Asia was in decline and this must have adversely affected the volume of Coromandel's trade with the Indies. In this period, the Goa Portuguese procured only small quantities of Coromandel cloth for buying spices in the Indies. Hence, it appears, that the chief trade between Coromandel and the islands of the Archipelago (excepting Sumatra, regularly visited by Indian traders) consisted in the export of textiles etc. by the Coromandel Portuguese who secured in exchange commodities for the coast market only, and not for export to Europe. The volume of such trade could not have been very considerable. The Dutch East India Company was destined to play a significant role in this particular sector of India's commerce.[21]

[21] For Coromandel's overseas trade, see *Relations,* pp. xix—xx 4, 36 ff; 52, 55, 59 ff, 69; Floris, pp. xxv, 116; Sewell, *op. cit.,* pp.210—211; Moreland, *op. cit.,* pp.197, 201, 210—11; Terpstra, p.18.

CHAPTER II

THE FIRST PHASE, 1605—1629

I

1605—1616

The interest of the Dutch in the Coromandel coast, if we are to believe Valentijn, dates back to 1603 when Zebald de Waard, Vice-Admiral in the fleet of Admiral Wybrand van Warwyk, planned a voyage to this region. On his premature death at the hands of the king of Kandi, his successor Jacob Pietersz visited the coast with a ship. Though this account is not corroborated by any documentary evidence, an anonymous memoir in Dutch on Indian textiles dated 1603 mentions incidentally the author's commercial experiences in Coromandel. Thus it seems certain that even before the East India Company established its first factories on the coast, individual Dutch merchants, probably representatives of the 'Pre-Companies', had come into contact with the region.[22]

In 1603, the United East India Company of Netherlands sent a fleet to the east under Admiral Steven van der Haghen. In February, 1605, the yacht *Delft*, one of the fifteen ships in van der Haghen's fleet, sailed from Achin under the command of Paulus van Soldt and arrived at Masulipatam in the spring of the same year. With the help of a Jewish resident of Golconda named Assalan, van Soldt soon secured for the Dutch the right to trade at Masulipatam and several employees of the Company, with Pieter Ysaacx as the chief, were left by van Soldt at Masulipatam to organise the Company's trade there.

In 1606, van Soldt made a second voyage to Coromandel from Bantam in the yacht *Delft*. It was during this voyage that the Dutch first came into contact with the south Coromandel port of Pulicat, the

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[22] Valentijn, V, 1, p. 57; G. P. Rouffaer and H. H. Juynboll, *De Batik-kunst in Nederlandsch-Indie en haar geschiedenis, Bijlage* III, p. xiii; *Begin ende Voortgang,* I, Warwyk's voyage, pp.13 ff; Floris, pp. xix ff.

future seat of the Company's chief factory on the coast. Negotiations for opening trade there was broken off after it had made some progress, because the Dutch suspected a conspiracy between the local people and the Portuguese. Sailing further north, the *Delft* came to the port of Petapuli or Nizampatam in Golconda, where an agreement was presently concluded with the local governor. Thereby, the Dutch were granted freedom of trade at Petapuli, the toll being fixed at 4 % for both import and export, and there the Company presently established its first factory on the coast. Van Soldt next went to Masulipatam, where he found the Company's men involved in a conflict with the local governor, who demanded a toll of about 12 % on an average. To settle this vexatious question van Soldt and under-factor Pieter Willemsz went on a mission to the court of Golconda and there, with the *mir jumla's* help, secured a *farman* from the king in August 1606, fixing the toll at 4 % for both import and export throughout the kingdom of Golconda. Further, as an exceptional favour, the Dutch were exempted from the *chhap-dalali*, i.e. stamp duty on cloth, which came to about 12 % and had to be paid by all other traders including the king's subjects. Fortified by the royal *farman*, the Dutch now established a factory at Masulipatam.[23]

An invidious trade privilege, giving a foreign monopolistic company an obvious advantage in competition even with local merchants, was thus secured in the earliest stage of the Dutch activities on the coast. Much of their subsequent effort was directed towards the extension of such privileges as an aid to their all-out attempt to secure an exclusive control on the local buyer's market. The eagerness of the political authorities to interest the Europeans in local trade appears to have been ubiquitous. Concessions involving immediate sacrifice of income were evidently expected to yield in the long run an increased revenue from an expanding trade. Only the local officials, often without any long term interest in the region that they temporarily governed, were eager to treat the companies as milch cows even at the risk of alienating them permanently. The desire to maximise the immediate income, with no thought for the consequences, was built into the system of revenue farming, an extreme form of feudal exploitation. Even the trading activities of the nobles and officials, protected from competition through

[28] For the voyage of the Delft and the establishment of the first factories, see *Begin ende Voortgang,* II, Steven van der Haghen's second voyage, pp.40 ff; *de Jonge,* III, pp.202, 213, 282 ff; Heeres, I, pp.45—6; Nederlandsch Indie, III, pp.53;; McLeod, I, pp. 54 ff; *Koromandel,* Ch. II.

the use of political power, were in essence directly exploitative rather than an effort to seek profit through trade. The Company's chief problem, hence, was to establish trading rights, preferably exclusive, in the face of multiform feudal exploitation.

For some time the two factories at Masulipatam and Petapuli, administered by Pieter Ysaacx and Dirk van Leeuwen respectively, were independent of each other, though consultations regarding commercial matters were quite frequent. In 1607, the mutual independence of the two factories was abolished and it was laid down that the head of each factory would preside in turn for a month over the Company's affairs in Coromandel. A further important change took place in 1608 when, by a decision of the General Council at Bantam, Pieter Ysaacx, the chief factor at Masulipatam, was made the "General head over both the places," Petapuli being placed under the authority of Masulipatam, despite the strong disapproval of the local factors.[24] This was an early manifestation of a tendency towards centralised control, an obvious necessity if a common trade policy was to be followed along the entire coast.

Meanwhile, the situation at Masulipatam had not been very easy for the Dutch. Extortionate demands of the local officials and their desire for the monopolistic exploitation of the local market, — familiar phenomena in the 17th century trade history of India, — were at the root of the trouble. As the price for the ratification of the royal *farman*, Sidappa, the local governor, forced the Company to lend him 3000 pagodas without interest. Hardly had he paid back the amount when, in 1607, he seized all the merchandise on board the *Groote Sonne*, worth about 100,000 florins, and demanded a fresh loan of 20,000 *pagodas* as the condition for releasing the cargo. Eventually Pieter Ysaacx had to grant a loan of 8,000 *pagodas*, and also to concede the demand that in future all duty-free goods imported by the Dutch would be sold exclusively to the local governor and the *shahbandar*. These troubles help up the Company's trade for three valuable months. Besides, only a fraction of the fresh loan granted to the *havaldar* was ever recovered, because the local governorship was farmed out to another person next year.[25]

Before long, the new *havaldar*, Pylappa, encouraged by the example

[24] *De Jonge,* III, pp.46 ff, 221, 282 ff, 287 ff; K.A.967, L. Ysaacx, "Memorye etc.", Bantam, 1.11.1608.

[25] De Jonge, III, pp.282 ff; K.A.967, L. Ysaacx, 'Memorye', 1.11.1608, P. Ysaacx and van Wesick to Verhoeff, 14.1.1608, P. Ysaacx to l'Hermite, 12.11.1608, 31.5.1608.

of his predecessor, asked for a sizeable loan from the Dutch and when this was refused, demanded that the Company should pay stamp duty from which it had been specifically exempted by the royal *farman*. Eventually, chief factor van Wesick went to Golconda to place his complaints before the king. But, through Pylappa's machinations, he had to come back in January, 1610, leaving the question of stamp duties unsettled.[26]

At Petapuli, conditions were less uncongenial than at Masulipatam. But there, again, the local governor exercised an exclusive control over trade in a manner which severely restricted the Company's activities. The bulk of the red cloth, which constituted the chief attraction of the Petapuli trade, was purchased by the *havaldar* on the plea that he had to supply every year 1000 pieces of this particular variety of cloth to the king, who sent them to the Shah of Persia for the use of the latter's army. The famous Tambreve chay-roots were also a monopoly of the local governor. For the bulk of their trade at Petapuli, the Dutch had to enter into contracts with the *havaldar* himself or secure his express permission for dealing with local merchants, some of whom could trade with the company only in secret. In 1609, the *havaldar*, imitating the ways of his Masulipatam colleague, demanded 4,000 *pagodas* as 'gate-money', i.e., additional toll on the Company's purchases which came from outside the town, but the offer of a present soon pacified him.[27]

Simultaneously with their efforts to consolidate their position in Golconda, the Dutch were looking for new trade prospects in south Coromandel. The great demand for Pulicat cloth in the spice islands was the chief reason for this venture. True, the Company did profitably secure quantities of Pulicat *pintadoes* through Khwaza Soheyder, their middleman at Petapuli, but it was evident that a direct contact with the source of supply would considerably augment the profits. The establishment of trading posts in the Hindu territory would also render the Company less dependent on the favours of the Golconda *havaldars*, and a factory at centrally situated Pulicat would enable the Company to exploit fully the commercial opportunities both in north and south Coromandel.[28]

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[26] K.A.967, van Wesick and Schorer from Bhagnagar, 11.11.1609, 28.11.1609, Ysaacx and van Wesick to "Seignores N.N.", 1.2.1610, van Wesick to Masulipatam, 19.10.1609.

[27] Baldaeus, p.161; K.A.967, L. Ysaacx, "Informatie etc.", van Wesick and Schorer from Bhagnagar, 11.11.1609, van Wesick from Bhagnagar, 24.11.1609.

[28] K.A.967, van Wesick to Ysaacx, 6.5.1608, 26.6.1608, van Wesick to Masulipatam, 25.7.1608, Ysaacx and van Wesick to Verhoeff, 14.11.1608.

In 1608, the yachts *Arent* and *Valck* of Admiral Verhoeff's fleet, sent to the coast under the command of Jacob de Bitter, were driven by contrary winds to Tegenapatam in Gingi territory. The local governor of Tegenapatam invited the Dutch to open trade there, but as de Bitter was not authorised to accept such offers, he could only promise to refer the matter to Admiral Verhoeff. De Bitter returned to Tegenapatam in November, 1608 and within a few days a Dutch mission to Gingi secured from the *nayak* a *kaul* permitting the Dutch to re-build the fallen Portuguese fortress at Tegenapatam and fixing the import and export duties at 4 %. The provisions required for the factory and all gold imported by the Company were exempted from duty.[29]

The Tegenapatam fort, granted to the Dutch, was found uninhabitable and the Company decided instead to open its factory at the neighbouring township of Tierepopelier (Tirupapuliyur). Bourgonje was appointed chief of the new factory. The 'great Aya', who was the *nayak's* chief minister, guaranteed in writing that the painters, weavers and merchants along the entire Gingi coast would be free to deal with the Dutch without paying any tolls. The new factory, situated so far from the northern establishments, enjoyed a position of complete independence, a fact which was resented by the northern factors.[30]

Soon after the establishment of the Tierepopelier factory, the Dutch came into conflict with the 'great Aya' who 'borrowed' for a time some labourers working for the Company and practically kept them under arrest, thus holding up the work of the factory. The labourers were eventually allowed to return, but the Aya persisted in his refusal to let the Dutch continue the work of constructing a fort on the plea that the Carnatic king might object to it. In the spring of 1610, the Tierepopelier factors received instructions from Bantam to seek a renewal of the contract with the *nayak* and strengthen the defences of the factory. Accordingly the contract was renewed on March 29, 1610 and a building constructed for the safe-keeping of ammunition and merchandise. The toll payable by the Company was now reduced to 2 % for both export and import and the 'great Aya' undertook to force all weavers and

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[29] K.A.967, Ysaacx and van Wesick to Verhoeff, 14.11.1608, Bourgonje to Verhoeff, 12.12.1609, Bourgonje to l'Hermite May, 1610; Heeres, I, p.55; de Jonge, III, 280 ff; *Nederlandsch Indie,* III, pp.64—65; MacLeod, I, pp.91 ff.

[30] K.A.967, Bourgonje to Ysaacx, 6.2.1609, same to l'Hermite, May, 1610, Bourgonje and Marcelis to North Coromandel, 16.2.1609, l'Hermite to Amsterdam, 10.11.1610, van Wesick to Bantam, 15.6.1609.

painters to keep their contracts with the Dutch. More important still, the Portuguese and all other European nations were excluded from the Tegenapatam area, and the Aya promised to help the Company against its enemies. The Dutch were also given the right to trade at Porto Novo to the south of Pondichery. The Company, on its side, promised to supply the Aya at cost price all commodities from lands under its control. The Aya and the *nayak* also reserved the right to buy sulphur from the Dutch before all other merchants. Indian ships sailing with passes from the chief factor of Tierepopelier were to be allowed to go unmolested by the Dutch and the chief factor would be practically obliged to grant passes if the Aya wanted them for his own purpose. The contract is significant for more than one reason: it indicates the increasing interest of the chiefs and nobles in trade as also their power to reduce the rigours of the passport system enforced much more rigidly in the days of Portuguese ascendency.

It further indicates the willingness of Indian authorities to help a foreign company in enforcing the observance of contracts which were not by themselves a continuous incentive to production. A second Dutch mission to Gingi which followed returned with a letter from the *nayak* to the 'Duke of Holland' promising scrupulous observance of the contract and requesting that ships be sent regularly to Tegenapatam.[31]

The year 1610 witnessed another important landmark in the career of the Dutch Company in Coromandel. Plans to open trade with Pulicat, which had failed in 1606, were now once more taken up in earnest. The *kaul* eventually granted by the Carnatic king closely resembled the one secured for Tegenapatam: it conferred on the Company the right to construct a stone warehouse at Pulicat for merchandise and ammunition, fixed the duties at 2 % for both import and export and required the Company to supply at cost price any article ordered by the king from territories under its control.[32]

In May, 1610, Maertssen and Fontaine went on a mission to Vellor at the king's request for further negotiations. At the Carnatic capital the Company's representatives were accorded a regal reception; but due to the machination of some Portuguese missionaries, matters did not proceed very smoothly, and it was only after considerable manoeuvring that the Dutch could induce the king to stick to his earlier decision

[31] K.A.967, 'Memorie', Bantam, 15.10.1609, Fontaine to l'Hermite, 31.5.1610, *Nayak* of Gingi to 'Duke of Holland', 22.4.1610; de Jonge, III, pp.345 ff.

[32] K.A.967, Marcelis to Amsterdam, 31.5.1610; Heeres, I, pp.83 ff; de Jonge, III, pp.384 ff; *Nederlandsch Indie,* III p.210; MacLeod, I, pp.93—94.

and let them establish a factory at Pulicat. Hans Marcelis was now appointed chief factor at Pulicat, with four other employees to assist him.[33]

Conflict with local officials, already a familiar phenomenon in north Coromandel, complicated matters for the Dutch at Pulicat as well. For a while, Indian traders were forbidden to have any dealings with them and the factory was besieged by soldiers. One night Marcelis and his subordinates were thrashed by the *shahbandar*'s men and the factory was plundered by the local people. The Dutch themselves were apparently responsible for these troubles to some extent and they tried to placate Condama, the *shahbandar*'s mother, by giving her presents. But the king, vexed by the reports of troubles, asked Condama to bring her son and the Dutch representatives to Vellor.[34]

The second Dutch mission to Vellor had to wait long before it was granted audience on August 30, 1610, when the king promised to redress the Company's grievances by appointing a new *shahbandar*. Meanwhile Portuguese emissaries were active at the Vellor court and the king was somewhat swayed by their plea that the trade of San Thomé would suffer if the Dutch were allowed to trade at Pulicat. The Company's representatives, however, turned down the king's request that the Dutch should adandon Pulicat and establish their factory at some other place, and their firmness eventually defeated the Portuguese machinations. Furthermore, the toll at Pulicat was reduced from 2 % to 1½ % and the neighbouring village of Averipaque [Kaveripak] was granted to the Company.[35]

Soon afterwards, important changes were introduced in the organisation of the coast factories. It had been felt for some time that the relations between the northern and southern factories were dangerously loose, specially in view of the oppressive ways of the local officers and the constant threat from the Portuguese. As a way out of this problem, the Council of the Indies at Bantam decided on December 3, 1610 to unify the administration of the four factories into one Directorate. Van Wesick, who had succeeded Pieter Ysaacx as the chief of the northern factories earlier in the year, was appointed the first Director of the

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[33] K.A.967, Fontaine to l'Hermite, 31.5.1610, Marcelis to l'Hermite, 30.5.1610, Resolution on board the *Cleyne Sonne*, 29.4.1610.

[34] K.A.967, Marcelis and Fontaine to van Wesick, 30.7.1610, Resolution, Pulicat Council, 1.8.1610.

[35] K.A.967, Marcelis and Fontaine to van Wesick, 7.9.1610, 8.10.1610, same to l'Hermite, 23.11.1610.

coast factories and ordered to take up his residence at Pulicat which now became the Company headquarters (*hoofdkantoor*) in Coromandel. The yacht *Hasewindt*, which had arrived from Europe with the news of the twelve year's truce, was sent from Bantam to Coromandel under the command of Wemmer van Berchem with detailed instructions regarding the proposed changes in administration. Further, as an economy measure, the Petapuli establishment was to be curtailed as far as practicable, if not altogether abandoned.[36] With the appointment in 1610 of one Director at the head of the Coromandel factories, the initial period of organisation came to an end.

In June, 1612, the Pulicat factory was sacked by the Portuguese, soon after Wemmer van Berchem assumed charge as the Director of the coast factories.[37] A few months later some employees or the Company returned to Pulicat, encouraged by its leading citizens. In October, 1612, van Berchem led a mission to the Carnatic capital, as a result of which a new *kaul* was granted by the king on December 12, 1612. The chief feature of this agreement was an undertaking on part of the king to complete the new castle started by the Dutch at Pulicat at the expense of Queen Obayama [Abhayamma?], the owner of the town, on condition that the Company should equally share the possession with him. Besides, the toll for Pulicat was fixed at 1½ % for import and 2 % for export, and the Dutch were authorised to freely damage the Portuguese anywhere in the king's territories. The King also promised to send his brother-in-law, Narpa-raja with several thousand soldiers to besiege San Thomé, while the Dutch attacked the stronghold by sea.[38] Nothing tangible, however, resulted from this project.[39]

Further to ensure the security of Pulicat, van Berchem went on a mission to the court of Jagga-raja, the feudatory overlord of the Pulicat region. There he found two Brahmin emissaries from San Thomé sent to secure the expulsion of the Dutch from Pulicat and it was only with great difficulty that van Berchem could induce Jagga-raja to confirm the *kaul*.[40] Portuguese agents were also busy at other neighbouring

[36] K.A.967, l'Hermite to Amsterdam, 10.11.1610, 24.11.1610, 'Instructie' for the Director, the Coromandel coast, 12.12.1610.

[37] See *infra*, Ch. V.

[38] K.A.968, 30.8.1613, f.151vo; Heeres, I, pp.100—104; van Dam, II, ii, p.101—102; van Dijk, p.27.

[39] Though the Dutch sources are silent on the point, a siege of San Thomé by the Carnatic king in 1612—1613, during which the *nayak* of Tanjore helped the Portuguese, is mentioned in a Portuguese document. See L.T., I, L.M., Document No. 342, 7.3.1613.

[40] K.A.968, 30.8.1613, ff.151vo ff.

courts in an effort to frustrate the completion of the Pulicat fort and actually succeeded in winning over several local chiefs to their side. The construction of the fort at Queen Obayama's cost was proceeding very slowly and van Berchem therefore decided to complete the work at the Company's expense, partly from a desire to evade the obligation to share the fort with the king. The fort, completed in 1613, was named Geldria, probably after van Berchem's native province, Gelderland. There was, however, more than one opinion at the time regarding its utility, and some felt that it was "maintained at great expense and to little profit." [41]

Hardly had the fort Geldria been completed, when it was faced with a serious danger. Jagga-raja's brother, Eti-raja, who had been won over to the side of the Portuguese, appeared before Pulicat with six to seven hundred men in July, 1613, bent on destroying the Dutch fort. The Carnatic king, in response to an appeal from van Berchem, promised every help to the Company and ordered Eti-raja to withdraw his troops on pain of severe punishment. Eti-raja still attacked Pulicat and was twice beaten back by the Dutch with the *shahbandar*'s help. Eventually, through the mediation of the king's emissaries, he was reconciled with the Company, but van Berchem put little faith in his professions.[42]

The Company's trade in south Coromandel was severely affected by the prolonged civil war wich ensued on the death of King Venkata II in October, 1614. His nephew and chosen successor, Sriranga II, was overthrown and subsequently murdered by Venkata's brother-in-law, Jagga-raja, who put his putative nephew on the throne. One Yacama Nayak supported by the *nayak* of Tanjore, took up the cause of Sriranga's son, Ramadeva, while the *nayaks* of Madura and Gingi joined the side of Jagga-raja. Pulicat was repeatedly overrun by the rival parties, and the Dutch followed a policy of strict neutrality, always admitting into the town the most powerful contestant provided no harm was done to the citizens. Throughout the Carnatic kingdom, trade came almost to a standstill as a result of the war.[43]

Meanwhile, the coast factories went through some important administrative changes. Hans de Haze, appointed 'visitadeur' in 1613 to visit all the factories, castles and establishments of the Company, arrived at Masulipatam in November, 1614 and quickly carried through a number

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[41] K.A.968, 30.8.1613, ff.153vo ff; K.A.973, 29.3.1616, f.174; van Dijk, pp.29 ff.
[42] K.A.968, 30.8.1613, ff.153vo—154; van Dijk, p.30.
[43] K.A.971, Hans de Haze, "Consideratie etc.", f.64vo; K.A.973, 29.3.1916, f.174vo; *Vijayanagara History*, Ch. XXV; McLeod, I, pp.452 ff.

of much-needed reforms in the administration of the Coromandel Directorate. Among other things, he had to deal with the question of abandoning the Tierepopelier factory, recommended by the Bantam Council. In view of the Company's limited capital, de Haze was in favour of abandoning the factory. Besides, the cargo procured at Tierepopelier was more easily available at Pulicat; and Masulipatam, as compared to Tierepopelier, offered some 33 % more by way of profit on the sale of the Company's merchandise. The great Aya's insatiable greed for presents and the heavy annual toll of about 2200 rials were further factors to be considered. But as the cloth supply at Pulicat was badly affected by the war, it was decided to continue the Tierepopelier factory until conditions were more peaceful. The proximity of Tegenapatam to the Carnatic diamond mines was also a factor in this decision.[44]

The growing dissension between van Berchem and Samuel Kindt, second officer on the coast, was another issue de Haze had to investigate. In May, 1615, it was decided to relieve van Berchem of his office and Samuel Kindt was provisionally appointed President of the coast and commander of Fort Geldria. In 1616, the administration of the Coromandel factories was constituted a 'Government' with Hans de Haze as the first governor and Samuel Kindt holding the office of President under him.[45] It is not clear, however, whether the change from a Directorate to a Government implied anything more concrete than a rise in status. But it was in any case the first formal recognition of the great importance of the coast factories in the pattern of Dutch trade in Asia. As such, it marked the end of one phase and the beginning of another.

During 1610—1616, while the Company gradually consolidated its position in the south in the face of great difficulties, affairs in the Golconda factories also did not proceed very smoothly. Van Berchem, almost immediately after his succession to office, went on a mission to Golconda to complain against the extortionate demands of the Masulipatam officers and the hostility of the Portuguese. Arriving at Golconda in August, 1612, he found Portuguese emissaries from Goa trying to bribe the king with presents so that he should expel the Dutch from his territory and it was only with great difficulty that he secured an

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[44] K.A.971, "Consideratie op het Comptoir Tierepopelier", 15.7.1615, ff.62—62vo; K.A.973, 29.3.1616, f.174vo, Resolution, 25.4.1616, f.193; van Dijk, p.43.

[45] K.A.973, Resolutions, 1.5.1616, ff.194vo—195; van Dijk, p.47; *Nederlandsch Indie,* III, p.211; *Floris, p.132*

audience on August 10. At the Golconda court, his complaints were not received favourably. The *mir jumla* pointed out that the Portuguese had done no damage to the Dutch in Golconda territory and hence no reprisals could be permitted within the boundaries of the kingdom. Besides, the king complained that the Dutch, contrary to their promise, had failed to bring rich cargoes from Europe — expensive clothes, fine mirrors, guns, various curios etc. as the Portuguese used to do before their arrival. His land, in consequence, was destitute of such commodities and the trade of Masulipatam was declining. Van Berchem replied that the bulk of the merchandise formerly imported by the Portuguese came from Holland and the matter could be easily mended in future. A further difficulty was raised by the petition of an Armenian merchant who sought restitution of his goods seized by the Dutch from the Portuguese ship *Tanaseri.* On being asked by the king to restore the goods, van Berchem replied that it was not in his power to do so. Eventually, the king agreed to issue a new *farman* which would ensure the Company's freedom of trade, but only on condition that the Armenian merchant's goods were restored, for he had already issued orders to that effect. After considerable delay, the *farman* was at last secured on September 15, 1612. The new contract, although later it proved a source of trouble, was very welcome at the time as it commuted the tolls for Masulipatam, previously fixed at 4 %, for a payment of 3000 *pagodas* a year.[46]

For the troubles which followed almost immediately afterwards, the Dutch were primarily responsible. Before the end of the year, to the great annoyance of the local authorities, they captured an empty ship, anchored off Masulipatam, belonging to the same Armenian merchant who had been the cause of so much trouble. Again in February, 1615, van Berchem captured at Pulicat a ship belonging to some Armenian merchants of San Thomé. Part of the cargo was claimed by a Muslim merchant of Masulipatam as his own and this was eventually restored to him for fear of alienating the Golconda king.[47]

Soon after van Berchem's departure, the Dutch were faced with a serious situation in Golconda. The contract secured by van Berchem did not prove to be a panacea. Formerly, because of the small volume of trade, the toll payable at Masulipatam, though fixed at 4 %, seldom

[46] K.A.968, 30.8.1613, ff.148vo—149, 14.2.1614, f.231; K.A.969, 16.8.1614, f.129vo; Havart, II, p.100; van Dam, II, ii, p.142; van Dijk, pp.22—23.

[47] K.A.968, 30.8.1613, f.150; K.A.969, 16.8.1614, f.129; K.A.973, Resolution, 10.8.1615, f.198vo.

amounted to more than 2,000 *pagodas* a year while the Company was now obliged to pay 3,000 *pagodas* annually under all circumstances. Further, the local governors, deprived of the toll, started inventing new methods of extortion. They now hindered by all possible means the loading and unloading of merchandise, the transports of cargo to inland areas and the purchase of indigo. In violation of the royal *farman*, they claimed a 2 % tax on indigo brought to Masulipatam from inland areas. Complaints to the king on every occasion were hardly possible, as each mission to Golconda cost some 1,000 *pagodas* and letters were of little use as they had to pass through the hands of the great nobles, who were often the friends of the local governors. The situation worsened when the merchants were forbidden to enter into contracts for the purchase of the Company's merchandise so that the Dutch might be forced to sell their wares to the local governor, who made his payments in kind with poor quality articles valued at abnormally high rates. Further, no merchants were allowed to deal with the Company until the annual toll had been paid at the beginning of the year. To deal with this situation, it was decided to sell part of the cargo to the *havaldar* at prices somewhat lower than the market rates and to pay him the toll in merchandise so that he might make a large profit on it before handing over the stipulated 3,000 *pagodas* to the king.[48]

At Petapuli conditions were generally better than at Masulipatam. But in 1615, *havaldar* Pyleppa secured a *farman* from the king requiring the Dutch to pay a toll of 6,000 *pagodas*, — half by way of arrears for the previous and half as dues for the current year. The Company decided to fight this claim and demanded from the *havaldar* the payment of his outstanding debts. De Haze, in accordance with his policy of 'rationalization', was actually considering the abandonment of the Petapuli factory at the time, and threatened with this measure which would mean considerable loss of revenue, besides difficulties with the higher authorities at Golconda, Pyleppa soon adopted a more reasonable policy.[49]

For the Dutch themselves these early years of their contact with Coromandel were of manifold significance. The most vital source for the supply of textiles was now open to them, though the small volume of trade with the coast suggests that the spice trade in the Archipelago

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[48] K.A.971, "Consideratien en descriptie van de plaetzen Mazulipatam en Petapoeli" 18.7.1615, 65—66; K.A.973, Resolution, 29.7.1615, f.197.

[49] K.A.971, "Consideratien etc." 18.7.1615, ff.66—67, K.A.971, 2.6.1615, f.238; K.A.973, Resolutions, 23.6.1615, 29.6.1615, ff.196vo. 197.

was not yet primarily dependent on the cloth supply from Coromandel. The chief factories in the region were already established and their importance in the pattern of the Company's trade was formally recognised. Further, the conflicts with local officers and the civil wars had driven home the nature of the problems that would have to be faced.

It was clear by 1616, that the local potentates, eager for the expansion of trade and for the steady supply of western curios and additional income from 'presents', welcomed commercial relations with the Dutch. The enormous capital resources of the Company offered prospects of a steadily expanding foreign market. Neither the declining Portuguese power nor the limited and disorganised resources of the Indian traders had anything comparable to offer. The latter, in fact, joined the kings and chieftains in welcoming the Dutch whose purchases on the coast implied vast potentalities of profit in middleman trade. The commercial rivalries between the Dutch Company and a rejuvenated Indian merchant class were things of the future.

One fact, however, had already emerged: in so far as the Dutch, unlike the Portuguese before them, did not establish invulnerable footholds on the mainland of India and sought instead peaceful commercial relations with the local kingdoms, any attempt to exclude Indian competitors from the high seas through a continuation of the passport system had little chance of success. Their weakness on the mainland undermined all fitful efforts to take the law into their own hands.

The comparative absence of Indian competition in the trade in Coromandel wares in the overseas market during this early phase is perhaps to be explained primarily in terms of the inhibiting after effects of the century-long exclusive control enforced by the Portuguese at gun-point. The Dutch quest for exclusive control over the market followed more peaceful and, in the long run, more paying lines, namely, manoeuvrings for differential advantages over all trade rivals including the local merchants. Their success in securing such advantages combined with, and partly flowing from, their superior resources ensured the ascendancy of the Dutch Company in the coast trade until a rival Company of monopolistic merchant capital outstripped them in the magnitude of their investments in India.

II

1616—1629

By 1616, the Dutch East India Company had firmly established itself in Coromandel. During the years to follow the problems encountered at the very inception of Dutch trade with the coast gained in intensity. The Company's efforts at expansion were imperilled by conflicts with local officers in Golconda, a devastating civil war in the Carnatic and the competition of other European nations and Asian merchants. The story of the years 1616—1629 is one of survival in the face of manifold challenge and of new experiments in commerce in response to a new colonial policy.

In Golconda, the troubles started very early. By June, 1616 the Petapuli factory was abandoned as a counter-measure against the local governor's extortionate demands. This decisive step gave the Company a brief respite and also helped to secure from the king a new *farman* in July, 1616 guaranteeing freedom from interference so long as the stipulated annual toll was paid. But in a week, the local governor of Masulipatam secured a counter-order abrogating the existing contracts with the Company and its right to trade outside the city and requiring the Dutch to enter into fresh agreements with the governor. Immediately, the governor demanded that the Company should either pay 9% duty on imports and 11% stamp-duty (*chhap-dalali*) for articles purchased inland or deposit the stipulated annual toll at the beginning of each year. He also farmed out the right to trade with the Company as a monopoly to a single merchant. This meant that the Company had to advance large amounts to this merchant, who often supplied products of a very inferior quality. With the inland indigo-markets closed to the Company and the cloth trade encumbered by artifical restrictions, the Masulipatam cloth trade was hardly very profitable any longer. An unfortunate brawl between a Dutchman and a Muslim led to the imposition of further restrictions: even suppliers of daily necessities were forbidden to visit the factory. Governor Hans de Haze now seriously threatened to abandon the Masulipatam factory. His firmness won the day and the restrictive orders were now quickly withdrawn.[50]

A second round of troubles started in 1619 with attempts on part of the local governor's underlings to interfere with the loading of the com-

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[50] Coen, VII, pp.96, 361; K.A.977, Hans de Haze to Amsterdam, 5.6.1617, and 18.10.1616; Heeres, I, pp.547—48.

pany's ships, and the arrest of a Dutch under-factor on the charge of assaulting one of them. The Dutch retorted by seizing the person of the *kotwal*. An assault on the factory followed and in the skirmish several Dutch officers, including de Haze, were wounded. The Golconda authorities soon tried to patch up the matter by a show of friendliness.[51] But de Haze, bent on stopping the continuous harassment by local governors, appealed to the governor, then residing at Golconda, for a new *farman*. The results were exactly the opposite of what de Haze had expected. The governor ordered that in future the Company was to deal with a single merchant, Lingua, nominated by him. This was the last straw. In June, 1619 de Haze ordered the abandonment of the Masulipatam factory, — a decision which was fully approved by Governor-General Coen. Plans were also made to seize the Indian ships returning from Mecca and Pegu. Such extreme measures were, however, found to be unnecessary. The king of Golconda, who could ill-afford to lose the benefits of his kingdom's trade with the Dutch, hastily opened negotiations with the Company. In the middle of these negotations, de Haze left Coromandel, installing Adolff Thomasz as the provisional governor. The king by this time had realized the full enormity of the situation, and in July, 1619 the local governor of Masulipatam was put under arrest. The governor Mir Qasim was replaced in his office by one Itimad Khan. The local Muslims also earnestly requested the Dutch to come back. Finally, towards the end of July, 1619 the Dutch returned to Masulipatam after receiving a new *farman*.[52] The next two and a half years were comparatively peaceful. Andries Soury who took over from Adolff Thomasz as governor of the coast factories in November, 1619 was on friendly terms with Mir Qasim, re-instated in his office in 1621. As a benevolent gesture Mir Qasim even abolished the practise of farming out the right to trade in coins and precious metals imported by the Dutch. "In Masulipatam," reported Coen to Amsterdam in 1621, "things are going reasonably well, but more through the fear of our power, than because of any respect for the *farman* which the king of Golconda has granted us." [53]

Coen's estimate of the Company's power in Coromandel, based exclusively on the control over the sea-ways, ignored the hopelessly weak and defenceless position of the coast factories. Abraham van Uffelen, —

[51] Coen, VII, p.235.
[52] Coen, I, p.516; VII, pp.428—29, 437, 438, 499; Heeres, I, pp.154—55; Havart, I, pp.225—27; Valentijn, V, 1, p.61.
[53] Coen, II, pp.585, 611; VII, pp.473, 751, 829—30.

nicknamed "Little Coen" by the English for his aggressive ways, — who succeeded Soury in 1621,[54] made the same mistake. The tragic incidents of Little Coen's administration may best be understood in terms of a conflict between overmighty traders and an autocratic power. Clash of economic interests, caused by the rapacity of local governors, played only a minor role.

Early in 1622 van Uffelen seized a Portuguese ship off Masulipatam and imperiously demanded of the local governor that all trading rights should be refused to the Portuguese. When the governor ordered a boycott of the Dutch factory as punishment for violating the peace of the harbour, van Uffelen started warlike preparations which forced him to rescind the orders. But the king, on hearing of these incidents, took a sterner attitude. Eventually van Uffelen had to go on a mission to Golconda, surrender a part of the booty secured from the captured ship and release the Portuguese sailors who had been taken prisoner. Out of the whole business, the Company gained little but trouble.[55]

But van Uffelen, no wiser by his experiences, continued in his arrogant ways. In 1623, against the express orders of the king, he publicly shipped a quantity of tobacco to Arakan. Worse still, he forcibly detained the *shroff* or money-changer, allegedly in order to coerce him into accepting an unfair rate of exchange for rials. Besides, he refused passes for Pegu to Indian ships. The king also believed that he was not getting his legitimate share of the booty seized by the Dutch from Portuguese ships.

The Golconda authorities decided to strike suddenly. In November, 1623 van Uffelen, an under-factor and three of the Company's chief middlemen were arrested at Masulipatam and taken to Golconda in chains. Supply of food and water to the Dutch factory was stopped by the governor's order. At Golconda, van Uffelen and the Company's middlemen were subjected to severe torture and their release was ordered only after 16,000 pagodas had been paid out of the Company's funds. The middlemen, however, were to pay back to the Company in kind their share of the ransom.[56]

Van Uffelen died in February, 1624 as a result of the bodily injuries suffered while in prison. Jacob Dedel, sent as "visitor" from Batavia, succeeded as governor. On Dedel's premature death in August the same

[54] Coen, III, pp.97—98, 783; E.F.I., 1622—1623, p.120.
[55] Coen, VII, 2, pp.984—85.
[56] K.A.994, 27.2.1625 ff.135; K.A.995, Libenaer to Batavia, 10.1.1624, van Uffelen to various people, 28.11.1623, 18.12.1623, 30.12.1623, 15.1.1624.

year, Marten Ysbrantsz became the governor of the coast factories.[57]

Meanwhile, no radical improvement in the situation had taken place. Towards the end of 1624, the right to trade with the Dutch company was farmed out to six merchants, "so that none (else), be they merchants, artisans or even water-suppliers, could freely come" to the factory. Early in 1625, these trading rights, including even the right to sell victuals to the Dutch, were publicly auctioned by the governor and secured by three merchants on payment of 3,000 *pagodas* each. Besides, the traders had to pay something for every item they took out of the Company's factory. In consequence, the contractors refused to take merchandise in payment for their supplies and would only accept cash. Petapuli, at first free from these restrictions, was soon brought within the orbit of the *sar-i-khail*'s policy of indirect exploitation. Because of such uncongenial conditions few merchants came to Masulipatam with adequate quantities of *pagodas*, the coin with which the bulk of the purchases had to be made, and the Company was threatened with a serious shortage. A mission to Golconda for buying *pagodas* ended in an expensive failure through the *sar-i-khail*'s machinations. A drunken orgy of factor Goeree at Masulipatam further complicated the situation. The factory was attacked by an armed mob and the transport of commodities to Dutch ships was prohibited for a time.[58]

The Masulipatam factors suggested a violent solution for the existing problems, namely, that the factory should be abandoned for two or three years and the consequent losses made good through the seizure of Muslim ships returning from abroad. Ysbrantsz considered this a feasible policy. Batavia, opposed to agression against anybody except an avowed enemy as being incompatible with the Company's constitution, recommended on the other hand the practice of "discreet simulation". Amsterdam, extremely conscious of the importance of the Masulipatam trade, was in favour of a settlement "with honour" even if the Golconda government were actually in the wrong. Attempts to secure the lease of Masulipatam were recommended for the purpose.[59]

There was a brief improvement in the situation towards the end of 1625 when the governor, Inayet Khan, was recalled to Golconda and

[57] K.A.994, 27.1.1625, ff.135 ff, Goeree and Libenaer to Amsterdam, 4.10.1624.

[58] K.A.994, 27.1.1625, ff.138 ff; K.A.996, Goeree and Libenaer to Amsterdam, May, 1625; K.A.997, Libenaer to Batavia, 29.12.1624 and 26.6.1625, Batavia to Coromandel, 26.7.1625.

[59] K.A.999, "Projectie aengaende den handel van Masulipatam", 26.8.1626; K.A.994, Goeree and Libenaer to Amsterdam, 4.10.1624, 27.1.1625, f.138vo; K.A.998, 3.2.1626, ff.2vo—3; K.A.1000, 28.18.1626, f.148.

the company's chief middleman, Malay, secured a certain relaxation of the pressure on the Company through an influential friend at the court. But when conditions were just returning to normal, the old king of Golconda died and was succeeded by a minor; the Company's old enemy, Muhammad Taqi, once more became governor of Masulipatam. The consequent feeling of insecurity was so widespread and intense that the merchant-middlemen broke thier contracts and refused to take delivery of the Company's wares.[60]

The following years witnessed a progressive deterioration in the situation. The three lease-holders and the governor himself were before long the only purchasers of the Company's wares. The former owed some 27,000 *pagodas* to the Company and almost invariably failed to supply cloth according to specifications. By June, 1628, the Company was forced to sell the bulk of its cargo to the governor, while by September all wares imported by the European companies were allowed to be sold to him alone. He, in his turn, sold these at arbitrary prices, to the traders who formerly had direct dealings with the European factories. Late in 1628 Muhammad Taqi, after a brief eclipse of his power, was appointed chief councillor to the king and as such exercised unlimited powers of exploitation through his underling, the new governor of Masulipatam. Soon afterwards, a number of traders, living outside the jurisdiction of Masulipatam, who had dealings with the Dutch were put under arrest and forced to yield up large sums under torture. Trade, except with the governor on unprofitable terms, was at a standstill.[61]

Against such heavy odds, the Company's policy of "discreet simulation" was of no avail. As a tentative measure, Batavia had ordered that no cargo should be unloaded at Masulipatam before specific contracts regarding prices were made. A more drastic policy was evidently called for.[62] As early as September, 1627 the English President Mr. Brown had discussed with Ysbrantsz the possibilities of combined operations against the local government. In June, 1628 Batavia finally consented to the use of force for the redress of grievances and sent detailed instructions for the blockade of Masulipatam. The instructions were remarkably fair-minded; cargoes were to be seized from the Indian ships returning home, but only in quantities enough to make good the

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[60] K.A.999, Ysbrantsz to Batavia, 5.12.1625 and to Amsterdam, 8.3.1626; K.A.1000, van Rossen and Pieters to Batavia, 15.6.1626; Coen, V, p.1181.
[61] Coen, VII2 pp.1181, 1333, 1342—43, 1436—37, 1448, 1504, 1506, 1648
[62] Coen, V, p.297, VII2, pp.1436—37.

losses suffered by the Company through the governor's tyranny and bad debts.[63]

The stage was thus set for an open trial of strengh. Still Ysbrantsz would have preferred to wait so that he might strike at a time likely to yield the richest harvest. A particularly bad monsoon had forced most of the Indian ships to abandon their projected voyages; a blockade would hardly be very paying under the circumstances. The events of the next few months however forced the hands of the Dutch Company. The English, unwilling to suffer any longer "the evell disposcion of the governor" abandoned their Masulipatam factory in September, 1628 and captured some small boats early in February, 1629. Masulipatam was no longer a safe place for the Dutch, as they might be forced to pay for the crimes of the English. So on February 19, 1629, "in the dead of the night, yet armed, the Dutch (being some 30 persons...) made there escape abord the English ships, leaving their howse destitute of anyman". On March 1, on the arrival of some of their own ships, they sent off all their cargo to Pulicat and a regular siege of Masulipatam began.[64]

Financially, the blockade was a failure. A large quantity of merchandise was seized from a ship returning from Achin, but the bulk of it belonged to a friendly merchant and had to be restituted. Besides this, only cargo worth about 12,000 to 15,000 *pagodas* was captured from ships returning from Arakan.[65] As a political measure, on the other hand, the blockade soon had the desired effect. In April, 1629 several important citizens of Masulipatam visited Ysbrantsz on board ship and requested the Dutch to return, promising to guarantee the repayment of debts. As there was little chance of recovering the losses through seizure of ships and the blockade was affecting the good relations with the Surat merchants, the Dutch were inclined to comply. Besides, the Company could ill afford to miss for long so important a source of cloth supply as Masulipatam, and it was considered better to have some trade in Golconda on an agreed basis rather than to risk all. Ysbrantsz however let it be clearly understood that he wanted not just another *farman*, but payment of the Company's outstanding claims.[66]

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[63] Coen, V, pp.290 ff, VII$_2$, p.1182.
[64] K.A.1012, 12.9.1629 ff. 63 ff; Coen, VII$_2$, pp.1653 ff.
[65] K.A.1012, 12.9.1629 ff, 63 ff; Coen, VII$_2$, pp.1653 ff.
[66] Coen, VII$_2$, pp.1662, 1763; K.A.1009, 15.12.1629, ff.31vo ff; K.A.1012, 12.9.1629, ff.63vo—64vo.

The way to an agreement was opened when the Company's chief debtors paid back 10,000 *pagodas*. Governor Mirza Rozbihan and the chief merchants of Masulipatam stood guarantee for the repayment of the balance of the claims by April, 1630 failing which the blockade was to be resumed. Further, all restrictive measures were to end. In return, the Dutch undertook to resume the granting of passes, but no ships would be allowed to sail until the outstanding debts were fully paid. Following this agreement, trade was resumed, though the reopening of the factory had to wait till instructions were received from Batavia.[67]

On the return of the Dutch to Masulipatam, Mirza Rozbihan started for Golconda in November, 1629, in company of the Dutch emissary, Jacob de Witte, to apprise the king of the situation. He secured an audience for de Witte, despite Muhammad Taqi's efforts to prevent it.

The king listened to de Witte with sympathy and promised a new *farman* guaranteeing unhindered trade throughout Golconda. But the bulk of the Company's financial claim amounting to 105,496 *pagodas* had to be written off as these could not be met from the royal treasury and Taqi had so wasted his fortune that nothing was to be had out of him. Only the 16,000 *pagodas* extorted in 1623—24 were to be gradually refunded through a temporary reduction of the annual toll. The promised *farman* was issued on December 11, 1629. Further, the king requested the Company's help for all Indian ships sailing from Masulipatam and sent a robe of honour for Ysbrantsz to seal his friendship with the Dutch. The Company's triumph was practically complete.[68]

The events of 1629 were full of ominous implications for the future of India's overseas trade, as they clearly demonstrated the consequences of the lack of sea-power. The share of Indian traders in this trade was once again at the mercy of the superior naval might of European nations. Even the weakness of the Europeans on the mainland had proved to be an inadequate guarantee against the possibilities of their interference with the sea-borne trade. What was more, their increasing investments had rendered the local merchants economically dependent on the European companies. The latter's naval superiority was thus reinforced by the acquisition of control over an essential lever of economic power. The Dutch saw this point only too well. Before long, they were to exploit this advantage not only in legitimate steps for the remedy

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[67] K.A.1009, 15.12.1629, ff30 ff, 50vo; K.A.1011, 7.3.1631, f.25vo; K.A.1012, 12.9.1629, ff.64 ff, 31.12.1629, f.65.

[68] K.A.1009, 15.12.1629, ff.34 ff; K.A.1011, 7.3.1631, ff.25vo ff; Heeres, I, pp.231—37, 245—46.

of grievances, but in efforts to eliminate Asian competition in the inter-Asian trade. Because of the continued weakness of the Dutch on the mainland of India and the advantage of long experience enjoyed by the Asian traders, such efforts did not succeed immediately but led to cut-throat competition and a prolonged see-saw struggle.

During 1616 to 1629, the Company's troubles in South Coromandel were mainly the result of the protracted civil war which broke out on the death of King Venkata II in 1614. Sriranga II, Venkata's chosen successor, had already been killed in 1614.

One Yacama Nayak, supported by the *nayak* of Tanjore, took up the cause of Sriranga's son, Ramadeva. The rival party was led by Jagga-raja, Sriranga's old enemy, and included the *nayaks* of Gingi and Madura. With the death of Jagga-raja and Ramadeva's marriage to the daughter of Eti-raja, Jagga-raja's brother, in 1619 the first phase of the war was over. The campaign against the *nayaks* of Madura and Gingi continued. The King's erstwhile supporter, Yacama and Damerla Venkata-pati in the North-East also rose in revolt. By the end of 1629, however, Rama-deva had the situation fully under control and the civil war was at last at an end.[69]

During the civil war, neutrality was the key-note of the Company's policy, though at times the Dutch were forced to take sides. By a strange paradox the trade and population of Pulicat were on the increase in the early years of the war, because of the comparative security guaranteed by Fort Geldria. In fact, thanks to the influx of displaced manufacturers more patterned cloth was produced at Pulicat at this time than the Company could afford to purchase. "We are the masters there", de Haze announced in 1617, "the inhabitants do little or nothing without our counsel". A yacht was deployed to protect the trade of Pulicat and in 1618—19, thirty Indian ships visited Pulicat, while not one called at San Thomé. In gratitude, the local chief temporarily granted freedom from toll to the Company. Prospects of stable employment and security in conditions of widespread unrest converted many of the seats of European commerce in India into prosperous urban centres in later times. Pulicat during the civil war in the Carnatic kingdom was an early and short-lived instance of such development. Even late in 1619, when heavy warfare affected production in the Pulicat region as well, enough cloth was produced in the town itself to ensure adequate supply.

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[69] *Vijayanagara History,* Chs. XXV and XXVI; McLeod, pp.452 ff.

Eti-raja's seige of Pulicat in 1620 ended in a peaceful settlement with the local governor and a friendly visit to the Dutch factory.[70]

By 1624, there was a radical change in the situation. The trade of Pulicat, now continuously plagued by rival local chieftains, was in grave danger. In May, 1624 Eti-raja imprisoned his rebellious vassal, Pede-raja, the local chieftain of Pulicat, and marched on the town, but he was beaten by Pede-raja's men with the aid of the Dutch. In August, 1624, the Company entered into a treaty of mutual assistance with the other local chieftains to forestall future attacks on Pulicat. A conspiracy between Eti-raja and the Company's interpreter, Groa, for capturing the Dutch factors was discovered at about this time and Groa taken into custody. For the rest of the civil war the Dutch at Pulicat were left in peace, but their policy was one of constant preparedness. "The best friends that we have here," remarked Ysbrantsz in 1625, "are God and our weapons". In the last years of the war, however, the Company's trade suffered mainly through poor demand for its merchandise and the necessity for cash payment for all purchases. In 1625, the Company's trade came almost to a stand-still at Pulicat. Shortage of capital, and not of supplies, was primarily responsible for the situation.[71]

Conditions in the Gingi territory throughout the war proved to be less congenial than at Pulicat. Even there, till 1617, there was a steady improvement in trade. Ramadeva's invasion of Gingi in 1618 however unsettled the economic life of the region, and in July, 1618, the Dutch were forced to leave Tierepopelier which was shortly captured by one of Ramadeva's generals. The latter requested the Dutch to return, but they evaded the request because most of the merchants had fled from Tierepopelier and a heavy toll had to be paid there whatever the volume of trade. Sometime after the reopening of the factory, in 1625, the general of the Gingi *nayak* plundered Tegenapatam and burnt Tierepopelier. As the Company's wares had already been removed, the loss suffered was negligible: only the purchase of saltpetre was hindered by these ravages. By the end of 1625, trading conditions in the Gingi territory returned almost to normal.[72]

Following the pacification of his kingdom, Ramadeva presented the

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[70] K.A.977, de Haze to Amsterdam, 18.10.1616; Coen, I, pp.517, 611, 708, VII, pp.235, 370, 425—26.

[71] K.A.994, Ysbrantsz to Amsterdam, 12.10.1624, same to Batavia, 2.10.1624; K.A.995, Dedel to Batavia, 2.7.1624; K.A.997, Ysbrantsz to Batavia, 21.1.1625, 14.6.1625, 5.7.1624.

[72] Coen, I, p.290, VII, p.370; K.A.997, Ysbrantsz to Batavia 14.6.1625; K.A.998, Ysbrantsz to Batavia, 16.10.1625.

Company with a new contract in November, 1629. The first royal grant received at Pulicat after long years of trouble, it provided a *de jure* basis for the Company's *de facto* rights. Besides, it abolished the tolls for loading and unloading cargo fixed at 1½ % and 2½ % respectively in 1612. The Company also received the promise of a gift of a village in return for some presents to the king.[73]

Thus by the end of 1629 normal trading conditions had been restored in the south as well as in north Coromandel. In spite of the prolonged political insecurity, trade had suffered comparatively fewer hindrances in the southern factories. This was so partly because the Hindu lordlings had less power or inclination to trouble the Dutch. The comparatively unhampered course of industrial production under the protective care of fort Geldria was another congenial circumstance.

By the 'twenties of the seventeenth century, the Jan Company had definitely emerged as a power in the land, strong enough to enforce their demands in case of necessity and to protect their own interests in conditions of unrest. They had successfully resisted feudal exploitation, when it went beyond endurance, by an open resort to arms. Potentially, their weakness on the mainland could not thus be an inhibiting influence on attempts to exclude Indians from the high seas by force. The direction of Dutch commercial policy in India did not, however, lie that way. The events of 1629 were an object lesson for all concerned; but for the Dutch it was an object lesson only in the sense that under exceptional circumstances they could now hope to secure redress of their grievances by violent means.

[73] K.A.1012, 31.12.1629, f.65vo; Heeres, I, pp.230—31.

CHAPTER III

YEARS OF EXPANSION, 1630—1658

I

1630—1642

In the 'twenties of the seventeenth century the Dutch had consolidated their position in Coromandel in the face of many difficulties. In the 'thirties, with increased resources, they could further develop their trade and extend it to other regions from the coast, though wars, famine and official rapacity continued to plague them. The policy of making the inter-Asian trade pay for itself, which had found general acceptance, led to the establishment of close commercial links between Coromandel and other parts of Asia. From a weak commercial body desperateley fighting for survival, the Company became something of a power in the land. A bold act of aggression against the Portuguese in 1642 symbolised this changed state of affairs.

During 1630—42, the Coromandel factories witnessed a rapid change of governors. In 1632, Marten Ysbrantsz handed over charge to Arent Gardenys, but had to come back the same year for a second term of office as Gardenys was suspected of participation in illegal private trade. In 1635, Carel Reyniersz succeeded Ysbrantsz and was in office till 1638 when Gardenys, acquitted of the charges brought against him, once more became the governor of the coast factories.[74]

In the early 'thirties, the Golconda factories were faced with a new danger more serious than anything encountered before. In 1630, following three bad seasons, a famine on an almost unprecedented scale — "of whose like in these parts no former age hath record," — spread over the entire northern Deccan, severely affecting trade and industry throughout the region. "The poor mechaniques, weavers, washers, dyers, etc.," reported the English factors from Surat, "are abandoning their habitacions in multitudes, and instead of relief elsewhere have

[74] K.A.1016, 1.12.1632, f.18; K.A.1019, 15.8.1633, ff.18vo, 22 f; K.A.1028, 4.1.1636, *f*.44; K.A.1031, 28.12.1636, f.46; K.A.1036, 22.12.1638, f.173vo.

perished in the feilds for want of food..." The more desperate among the famine-stricken organised marauding bands and plundered caravans on the highways. "From Gujarat to the Golconda coast the land became one vast charnel-house".[75]

Despite the desolation all around the Coromandel factories managed to carry on a certain amount of trade and in some ways the conditions were even favourable. Muhammad Taqi had fallen out of favour with the king, partly as a result of de Witte's complaints, and with his death in May, 1631, the Company was rid of its 'greatest enemy'. Still the Dutch followed a cautious policy in the Golconda kingdom and avoided investing any large amount of capital at Masulipatam for quite some time.[76]

For nearly six years, with the friendly Mir Muhammad Sayyid as the governor of the Masulipatam region, the Company's affairs in Golconda proceeded without any hindrance from the local authorities. But in 1636, in a desperate attempt to collect the amount due to the royal treasury, Mir Muhammad adopted the familiar policy of extortion, accused the Dutch of paying too little by way of toll and put under arrest one of their middlemen at Petapuli. Owing to subsequent misunderstandings the *havaldar*'s men attacked the Petapuli factory but had to retreat with some loss of lives. The factory was next besieged for several weeks, during which no merchants or handicraftsmen were allowed to have any dealings with the Company. At Musulipatam, too, Mir Muhammad tried to play the same game and demanded that the Dutch should surrender the booty seized from a Portuguese ship in 1629. In reply the Company lodged complaints with the king and received from him a new *farman* in November, 1636, guaranteeing all its rights and privileges. As Mir Muhammad, presently raised to the office of *sar-i-khail*, once more became friendly to the Dutch, their troubles in the Masulipatam region were temporarily at an end.[77]

Again in 1637 the new governor, Sher Muhammad Khan, asked the Company to pay an additional 50 % as lease-money for the village of Palicol which had been leased to them the previous year. Further, as a result of his extortions at Palicol and Dacheron, the Dutch could

[75] E.F.I., 1630—33, pp.20, 79, 122, 129; D.R., 1631—34, p.33; K.A.1015, 12.7.1631, f.135.

[76] K.A.1011, 7.3.1631, ff.27vo—28; K.A.1015, 12.7.1631, f.139.

[77] K.A.1031, 28.12.1636, ff.63 ff, 17.10.1636, f.1132, 25.9.1636, ff.1139 ff; K.A.1034, 9.12.1637, f.170vo, 29.12.1636, 612vo; K.A.764, 4.2.1638, f.55; K.A.765, 11.7.1639, f.421; Heeres, I, p.289—90.

procure no cloth in those two villages for some time and were eventually forced to placate the governor by partly conceding his demand.[78] In 1639, however, they gave up the lease of Palicol which had rendered a loss of 5134 florins in 1638--39 and abandoned the Dacheron factory, because the cloth available in these places could be more profitably procured from south Coromandel.[79]

In December, 1639, the king of Golconda visited Masulipatam with his nobles and was pleased with the presents offered by the Dutch. But any hope of peaceful trade raised by this friendly contact were soon destroyed. Early in 1640, Mirza Qasim, the local governor of Petapuli, wanted the Company to buy some of his chay-roots at an exorbitant price and on its refusal to do so ordered all handicraftsmen and traders, including even water-carriers, to stop visiting the Dutch factory. Normal trading conditions were restored in March, 1640, but only after the Company threatened to abandon Petapuli and Masulipatam and its chief middleman, Chinanna, agreed to accept in chay-roots part of the money owed him by Mirza Qasim.[80]

In the early 'forties, the Company got involved in a far more serious conflict in which they had to contend, not with petty temporary *havaldars* as before, but with the *sar-i-khail* Mir Muhammad Sayyid whose increasing participation in commerce was the basic factor in the troubles. The enormous political power wielded by Mir Muhammad, — popularly known as the 'small king' in Golconda, — added to the difficulties of the situation. In view of the extreme importance of his friendship, the Company followed a conciliatory policy as far as practicable and lent him gunners and sailors for his ships to Gombroon, though this was inconsistent with its monopolistic policy. In January, 1640, a request for some cannon was turned down and, in consequence, the *sar-i-khail*'s friendship with the Dutch cooled down distinctly.

The first open conflict took place in 1641 when the Masulipatam factory was asked by the local governor to stop selling cloves, mace and benzoin as the king and the *sar-i-khail* wanted to buy the entire stock. This promised purchase, however, did not take place and the real reason for the order, according to the Dutch, was the *sar-i-khail*'s desire to revive the demand for spices by stopping all competition, so that he

[78] K.A.1034, 9.12.1637, ff.170vo—171, 25.3.1637, f.676vo.

[79] K.A.1039, 18.12.1639, f.78vo, 6.4.1639, f.1052, 6.5.1639, f.1073, 30.7.1639, f.1090.

[80] K.A.1042, 5.4.1640, f.433, 27.2.1640, ff.438—39, 20.3.1640, ff.439vo—440, 21.3.1640, ff.440vo—41, 28.2.1640, f.442, 23.3.1640, f.448.

might make good profit on his unsold stock of cloves and other spices. As the order was a direct infringement of the rights guaranteed by the royal *farman* and meant serious losses for the Dutch, they decided to blockade the Golconda coast and seize Muslim ships returning from Persia by way of reprisal. This time they were more confident than in 1629: the Masulipatam factors were not to be withdrawn even during the blockade, for no attack on the factory was feared. The situation worsened when in December, 1641, the Palicol factory was attacked and occupied for a few days by some Hindu princelings, allegedly at the *sar-i-khail*'s instigation. The threat of blockade, however, soon had the desired effect: the embargo on selling spices at Masulipatam was withdrawn and an officer sent to enquire into the incidents at Palicol. The first round of the conflict with Mir Muhammad thus ended triumphantly for the Dutch, but this was only the beginning of a prolonged struggle in which the *sar-i-khail*'s monopolistic aspirations, backed by political power, came into sharp clash with the Company's growing trade.[81]

In the northernmost part of Golconda, the Company's activities were hampered by minor wars near the Orissa frontier. An invasion by the Mughal governor of Orissa in 1630—31 was withdrawn at Shahjahan's order. A fresh outbreak of war in 1638 left a trail of devastation along the frontier and severely affected the Company's trade at Dacheron. Furthermore, a local *raja* plundered Bimlipatam and carried away, among other things, a quantity of merchandise brought there by the Dutch for sale. Attempts at the recovery of these goods apparently failed.[82]

During 1630—35, conditions in south Coromandel were far more uncongenial than in the north due to the recrudesence of civil war on the death of the young king, Ramadeva, in May, 1630. Timmaraja, an uncle of the late King, forcibly seized the government, refusing to acknowledge the succession of Venkata III who was supported by the *nayaks* of Gingi, Tanjore and Madura, in this struggle. The situation was further complicated by squabbles among the *nayaks* themselves, and the resulting conditions in the Carnatic were little short of anarchy.[83]

By 1632, the Dutch at Pulicat were directly affected by the war.

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[81] K.A.1042, 2.11.1639, f.421vo, f.448; K.A.1044, 3.10.1641, ff.269 ff; K.A.1047, "Verhael uyt de advyzen etc.," ff.417, 419vo ff; K.A. 768, 3.4.1641, ff.81, 85.

[82] K.A.1036, 22.12.1638, f.173; K.A.1037, 14.5.1638, f.217, B. P. Saksena, *History of Shahjahan of Dihli* (Allahabad, 1932), p.171.

[83] Vijayanagar History, I, pp.339—40; MacLeod, II, p.492—93.

Timmaraja conquered the neighbouring fortress of Katur that year and an attack on Pulicat itself was only prevented by a timely offer of money. A captain of the rebel general blockaded the highway linking Pulicat with the hinterland and carried on regular plundering operations. The supply of cloth was practically stopped, for in these uncertain times the middlemen would not enter into contracts for procuring wares according to specifications or at any appointed time. In the areas around Pulicat agriculture suffered heavily through the war and the price of cotton-yarn went up in consequence. Many of the villages which produced superior quality cloth were burnt down. The Dutch generally refused to get involved in this internecine war, but at least on one occasion they helped Venkata's supporters with arms and ammunition, while their chief middleman, Chinanna, actively participated in the war against Timmaraja. With the latter's final defeat and death in 1635, the war ended in the Carnatic kingdom, though the ensuing peace was not destined to last very long.[84]

A problem of a different, but no less serious nature, was encountered by the Company in south Coromandel when Malaya, its trusted middleman and the richest merchant of the region, died in March, 1634. The Dutch were still very much dependent on the Indian middlemen for the supply of their return cargo to which Malaya, more than anyone else, had attended ably for nearly two decades. His brother, Chinanna, and his cousin, Kesava Chetti, who jointly inherited his business, had little experience in commerce. Chinanna, primarily interested in politics, spent most of his time fighting against Timmaraja, and could hardly even afford to visit Pulicat. Still, the Dutch tried their best to retain the friendship of Malaya's heirs by selling them arms and ammunition for their ships. But with the passage of time Malaya's loss was felt more and more seriously and the Company's trade suffered throughout south Coromandel.[85]

A family squabble between Chinanna and Kesava in 1637 further complicated matters. The English, taking advantage of the situation entered into a contract with Kesava's son, Lakshmana Nayak, who undertook to supply cloth from Pondicherry and governor Reyniersz

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[84] K.A.1016, 1.12.1632, ff.20vo, 82; K.A.1017, 20.10.1632, f.181vo; K.A.1018, 7.2.1633, f.5vo; K.A.1023, 20.2.1634, f.268vo; K.A.1025, 29.5.1634, f.318; K.A.1028, 4.1.1636, f.41; K.A.1029, 19.6.1635, f.669vo, 10.6.1635, f.675vo; E.F.I., 1630—33, p.203.

[85] K.A.1025, 29.5.1634, f.318; K.A.1028, 4.1.1636, f.46; K.A.1031, 8.10.1636, f.1124; K.A.1034, 1.3.1637, f.665.

secured annulment of this contract only with great difficulty. Reyniersz next tried to mediate a settlement between the two cousins, but achieved little till 1638. The following year governor Gardenys visited Pondicherry, the main centre of Kesava's activities, and induced the latter to enter into negotiations. By 1640, a fairly stable compromise was effected; the two cousins were to deal with the Company separately and maintain friendly relations with each other.[86]

Early in 1637, the short-lived peace in the Carnatic kingdom ended with the outbreak of an internecine war in which the *nayak* of Gingi, eventually supported by Venkata III, fought against the combined power of Tanjore and Madura. The supply of return cargo, specially saltpetre and patterned cloth, was once more seriously affected and for nearly two years Coromandel could provide only about half the required quantity of *pintadoes* for Java. The profits at Batavia suffered a proportionate decline. In 1638, Krishnappa, the general of the *nayak* of Gingi, devastated Tegenapatam, the chief centre of Chinanna's trade, as a punishment for the latter's refusal to pay him a large amount of money. For a while, Tegenapatam, one of the Company's main sources of supply, was wiped out from the commercial map of Coromandel. The port was reconstructed after the establishment of peace in 1638 and normal trade was resumed towards the end of that year.[87]

In 1638 the trade at Pulicat suffered further hindrance when Rangapede Raja, a local governor, occupied the fortresses of Katur and Kulur and began to plunder the neighbouring regions on the pretext of retaliatory measures against a feudatory chief. The transport of merchandise to and from Pulicat now became impossible and in despair the Company abandoned the island of Erikan and the village of Wansiwake granted by the king. Normal trade was restored at Pulicat only after Rangapede Raja was deprived of his office.[88] But again in February, 1642 Ayappa Nayak, the king's brother-in-law, sacked Wansiwake. The king, however, on receiving complaints from the Dutch asked Ayappa to stop further depredations and Wansiwake was soon restored to its previous state. "I have always understood," the king assured Gardenys,

[86] K.A.1034, 25.5.1637, f.675, 9.12.1637, f.170; K.A.1039, 18.12.1639, f.78vo, 8.10.1638, ff.987—88, 30.9.1639, f.967, 22.12.1638, f.1030; K.A.1042, 30.5.1640, f.461vo.

[87] K.A.1034, 20.12.1637, ff.624-24vo; K.A.1036, 22.12.1638, ff.172—72vo; K.A.1037, 6.1.1638, ff.227, 228vo; K.A.1039, 8.10.1638, f.986; *Vijayanagara History,* I, pp.340—41; MacLeod, II, p.170.

[88] K.A.1036, 22.12.1638, f.175vo; K.A.1037, 6.1.1638, ff.228vo—29; K.A.1039, 8.10.1638, f.984, 22.12.1638, f.1027, K.A.765, 28.2.1639, f.116.

"that Pulicat is our own town and that you are our merchants. So if anybody seeks to do harm to that town, it is our own loss." [89]

Meanwhile an indirect but by no means negligible threat to the Company's interests had developed in the Carnatic kingdom. Early in 1640 Krishnappa suddenly imprisoned Kesava Chetti, his son Lakshmana and Chinanna's nephew, Konera and sent some men to besiege Chinanna's house at Tegenapatam. Eventually Chinanna managed to remove his family from Tegenapatam, but all his effects including 100,000 lbs of salpetre belonging to the Dutch and the cash with which he had intended to procure cloth for the Company were seized by Krishnappa. Lakshmana was released sometime later and allowed to resume trade on his agreeing to pay 40,000 *pardaus*. Kesava died in 1642 and Konera regained his freedom only after Krishnappa had fallen foul of the Carnatic king and was forced to flee from Gingi. The goods seized by Krishnappa were not recovered.[90]

During the later years of Venkata III's rule, invasions from the neighbouring Muslim states once more disturbed the peace of the Carnatic kingdom. In 1638, a Bijapur army of over 90,000 men penetrated as far as Bangalore and Venkata had to purchase a temporary truce at a heavy price the following year. Fresh invasions in 1640 and 1641 led to the annexation of extensive territories by Bijapur and on one occasion the general, Randaula Khan, arrived within twelve miles of Vellor.[91]

In April, 1642, a large army from Golconda invaded the much-harassed kingdom and marched along the coast, capturing a series of fortresses. At this critical juncture king Venkata III died in October, 1642.[92]

The continuous troubles at home, aggravated by invasions from abroad, had greatly disturbed the economic life of the Carnatic kingdom. By 1641—42, owing to the insecurity of the roads, the merchants from inland areas no longer came to the coastal harbours to buy the Company's wares. While large parts of the country were ruined by the depredations of the invading armies, the demand for taxes increased to meet the expenses of war. Unable to bear the excessively

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[89] K.A.1047, "Verhael etc.", ff.423, 424, 435vo, 445.

[90] K.A.1044, 25.8.1640, ff.292 ff; K.A.1047, "Verhael etc.", f.448, 4.10.1642, f.715vo.

[91] *Vijayanagara History*, I, pp.342—47; MacLeod, II, p.173; K.A.1039, 6.4.1639, f.1049, 10.7.1639, f.1095; K.A.1042, 3.3.1640, f.462vo.

[92] *Vijayanagara History*, I, p.347; K.A.1047, "Verhael etc.", ff.423, 424, 440.

heavy taxation, hundreds of weavers and dyers fled from Tegenapatam, Pondicherry and Trimelivas, which severely affected the supply of cloth. At Poneri, near Pulicat, some handicraftsmen, who had accepted a large amount from the Dutch as advance for manufacturing patterned cloth, suddenly ran away because of increase in taxes. To add to the many woes of the unhappy kingdom, a prolonged drought affected food-supplies from Orissa and prices of all commodities rose sharply in consequence.[93]

During the years, 1630—1642, the Dutch set up no new factory on the coast of Coromandel. Rapacity of the Golconda officers discouraged expansion. In the Carnatic kingdom, civil wars had reached a level where production and prices were seriously affected. These were the years when, understandably enough, the Company's activities, — at the instance of the Coromandel factors, — underwent significant expansion in other regions round the Bay. In the process the economic relations between Coromandel and the countries across the Bay acquired a new depth. And despite discouraging circumstances Dutch investments on the coast increased substantially. This meant an increased incentive to production, though in all probability this effect was confined to limited areas.

II

1643—1658

In the 'forties and 'fifties of the seventeenth century, as the Company's inter-Asian trade paid increasing dividends, a steady flow of capital from all over Asia enabled the Coromandel factories to consolidate their position. This period witnessed a marked increase in the volume of return cargo, the establishment of new factories, the acquisition of administrative authority and the conquest of a Portuguese colony. And all these were achieved amidst devastating wars which radically altered the political map of the region and totally unsettled for a while important sectors of economic life. Confident of their strength, the Dutch tried to regulate Indian overseas trade to their own advantage and thus came into conflict with the great nobles and merchant-princes interested in that commerce.

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[93] K.A.1047, "Verhael etc.", f.423vo, 15.6.1642, f.724vo.

Two major developments in the political life of the region had important bearings on the history of the Coromandel factories in this period: in Golconda, Mir Muhammad Sayyid rose to a position of supreme importance, governing "the king and consequently the country"; in the south, continual invasions by Bijapur and Golconda resulted in the final disintegration of the Vijayanagar empire.

Sriranga III, who succeeded Venkata to the throne of Vijayanagar in 1642, pursued a vigorous policy of defence against the Muslim invaders in collaboration with his great *nayaks*. Still, by 1644, large parts of the Western Carnatic were annexed by Bijapur. Sriranga was more succesful in checking the agressive efforts of Golconda in the Eastern Carnatic, but a rebellion of the *nayaks* of Gingi, Tanjore and Madura in 1645 undermined his war efforts and the following year, Mir Muhammad who, as *mir jumla*, had acquired almost unlimited power in Golconda, led a fresh attack against the Hindu monarch. An agreement between Bijapur and Golconda for the eventual partition of the Carnatic kingdom further weakened Sriranga's position. In December, 1646 Pulicat and the adjacent areas were occupied by Mir Jumla, and in a few months Sriranga made peace with the Muslim invaders ceding the occupied territories and paying a large indemnity.

The invaders now turned their attention to the territories of the southern *nayaks*, and by 1649 Gingi was annexed by Bijapur, while Tanjore and Madura also accepted the suzerainty of the Adil Shahi king. In 1652 a war broke out between Bijapur and Golconda over the Carnatic territories. Sriranga recovered some of his possessions from Bijapur during these disturbances but was forced to surrender all his territories excepting Chandragiri in 1653. For the European companies, the most significant result of these complicated developments was the emergence of Mir Jumla as the virtual ruler of northern Carnatic, and his participation in both internal and overseas trade on a large scale created new problems the like of which had not been encountered before. The growing power of this over-mighty subject presently roused the hostility of Qutb Shah and in order to save himself Mir Jumla went over to the Mughals in 1655. In July, 1656 Northern Carnatic was conferred on the *mir* as his personal *jagir* by emperor Shahjahan, but the troubles in this region were by no means at an end. Soon after Mir Jumla's departure to northern India, Sriranga and Qutb Shah tried to seize parts of his territories, while in many places the Hindu chieftains rose in revolt. It was only after 1658 that all traces of Sriranga's authority disappeared from the east coast. The bulk of northern

Carnatic remained in the hands of Mir Jumla's men until, on his death, the entire territory was absorbed into the Golconda kingdom.[94]

The main problems encountered by the Company in Golconda in this period, despite their superficial resemblance to earlier ones, resulted from very different circumstances. Now the Dutch had to deal not with the short-sighted rapacity of temporary governors, but the monopolistic designs of an all-powerful noble, Mir Jumla. Batavia's new policy of excluding Indians from the trade with Achin and the 'tin areas' of the Malay peninsula also sharpened and altered the nature of the existing conflicts, while some of the older problems resulting from political insecurity and the tyranny of local officials continued to plague the Company.

In 1642, the Company had forced Mir Jumla to remove all restrictions on the sale of its wares. But the very next year his offer to purchase the entire stock of the Company frightened away all other prospective buyers, and the demand for Dutch imports suffered a serious decline though ostensibly there were no restrictions on their sale. The efforts of Arnold Heussen, — who succeeded as governor on Gardenys' death in July, 1643, — to secure some relaxation of Mir Jumla's thinly veiled efforts to establish a monopoly were of little avail. A new complication developed in 1646 when the governor of Masulipatam, Mir Sa'id Ali, a subordinate of Mir Jumla, suddenly seized the Company's return cargo on the ground that its cloth supplies had evaded the payment of legitimate customs duties for years and he would not release the stock until the arrears were cleared. As a matter of fact, the Company's middlemen had been enjoying somewhat irregularly the exemption from internal customs duties to which only the Company's employees procuring merchandise from inland areas were entitled. The Dutch had abetted this practice as it helped to keep down the prices, and occasionally the middlemen also smuggled into Masulipatam quantities of cloth in the Company's name without paying customs for selling them to other buyers.[95]

In 1647, the Batavia authorities, in a desperate attempt to neutralise Indian competition in the Malay peninsula and in Sumatra, decided to refuse passes for those regions, or at least to make the Indian ships

[94] For the rise of Mir Jumla and fall of the Vijayanagara empire, see *Mir Jumla,* Chs. II—IV; *Vijayanagara History,* Ch. X; "Srirangarayalu — the last emperor of Vijayanagar," *Journal of Indian History,* 1939.

[95] K.A.1051, 22.12.1643, ff.26, 39ff; K.A.1054, 23.12.1644, f.537vo, 13.5.1644, f.604vo; K.A.1062 (vervolg), 21.10.1646, ff.783 ff, July, 1646, f.981vo.

pay the same tolls as were paid to the Portuguese when the latter were in possession of Malacca.[96] Accordingly, Mir Jumla's request for passes for the Indies was turned down and a quantity of tin worth 2,000 rials was seized as toll from one of his ships off Perak. The governor of Masulipatam demanded restitution of these goods and the situation in Golconda looked extremely ominous. Relations became once more amicable when in 1648 the Company promised to return the cargo seized and sold its entire stock of cloves and a quantity of copper to Mir Jumla. In 1648—49, the only difficulties encountered in Golconda were due to the depredations of a robber, "Mencappa", in the Dacheron area and interference with the purchase of cloth at Palicol by Malik Muhammad, the governor of Elur and Rajamahendri. But these troubles were at an end by April, 1649, when Mir Jumla also offered new privileges to the Dutch in the territories wrested from the Carnatic king and a sharp reprimand from the king of Golconda brought Malik Muhammad to his senses.[97]

The next two years conditions were peaceful on the surface, though there was a strong undercurrent of ill-will on the part of Mir Jumla which led to a recrudescence of troubles in the latter part of 1651. The tin seized from the Mir's ship had not been returned, a friendly letter to Batavia had not been answered and the Company was charging high prices for its wares, which was ascribed to its reluctance to trade with Mir Jumla. In July, 1651 the Dutch were suddenly ordered to produce their account books in connection with the charges of tax-evasion against their middlemen. The governor of Masulipatam, a subordinate of the Mir, took a number of measures apparently intended to bring the entire trade of the Company under his master's control. The procuring of cloth was openly obstructed, merchants intending to trade with the Dutch were bullied on flimsy pretexts and no one was allowed to visit the factory without the governor's express permission. Factor Caulier's efforts to come to an understanding with the Mir proved fruitless and Dutch threats to blockade the coast were also ignored.

For a while the Company toyed with the idea of seizing Muslim ships by way of reprisal, but eventually milder counsels prevailed and it was

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[96] For the Company's policy *vis-à-vis* Asian traders in this period, see *infra,* Ch. VI.

[97] K.A.1064 (vervolg), 1.6.1647, f.765; K.A.1066, 14.10.1648, f.451vo, 7.10.1648, f.466; K.A.1048,21.12.1659, ff.63 ff, K.A.1068 (vervolg) 27.2.1649, f.492vo, 13.4.1649, ff.544 ff, 28.5.1649, ff.548vo ff, 18.5.1649, ff.555vo ff; for the developments in north Carnatic after its conquest by Golconda, see *infra.*

decided to send commissaris Dirck Steur, who had arrived in 1651 on a mission to Mir Jumla. Steur was received by the Mir at Gendikota in November, 1651 and the restrictions on the Company's trade were withdrawn following an agreement. It was decided that the Company's middlemen would pay a toll of 1200 to 1500 pagodas a year, Mir Jumla would get back the tin seized from his ship and in certain specified places the Dutch would buy their return cargo of cloth only from his representatives. The commissaris next proceeded to Golconda with friendly letters of recommendation from the great noble and received a new *farman* from the king confirming the rights and privileges already promised by Mir Jumla.[98]

There was a further improvement in the Company's relations with Mir Jumla in 1652 after some initial difficulties. In June, 1652, factor van der Meyde was sent to the Mir with complaints against the governor of Masulipatam who had extorted obsolete custom duties from their middlemen. The negotiations which followed were highly successful. The toll payable by the middlemen was finally fixed at 2½ % and any amount taken in excess of that rate was to be returned. Van der Meyde also secured a very profitable contract for supplying a large quantity of merchandise to Mir Jumla, besides a loan of 400,000 florins without any interest. The lease of Palicol was once more granted to the Company at 1000 pagodas per annum though the Mir himself would have to pay 1200 pagodas annually to the royal treasury for the township. In return, the Company lent him some gunners, permitted his representatives to buy elephants in Ceylon and agreed to his suggestion that the commodities which he had agreed to purchase would not be sold to any other merchant.[99]

The agreement of 1652, however, did not stablize relations with Mir Jumla. Even before its conclusion, one of his ships, the *Nazareth*, had been captured by the Dutch off Malacca, as it was sailing under a Portuguese flag after the termination of the Dutch-Portuguese truce. The Company was willing to restore the ship and its cargo, but considered Mir Jumla's claims too excessive. A second question at issue was the Company's refusal to lend passes for the Portuguese-occupied territories in Ceylon, Jaffnapatam in particular. As Mir Jumla pointed out, Indian merchants had formerly traded with these places even

[98] K.A.1074, 24.1.1652, ff.4 ff; K.A.1076, 11.9.1651, ff.175, 180vo, 13.7.1651, f332, 6.7.1651, ff234vo ff; K.A.1079, 21.1.1652, ff.226vo ff.

[99] K.A.1080, 24.12.1652, ff.49 ff; K.A.1086, 8.1.1652, ff.476, 14.7.1652, ff.488vo ff, 12.8.1652, f.50vo; Heeres, II. pp.53—54.

during the Dutch-Portuguese wars and hence no interference with this traditional right could be tolerated.

The financial transactions were also not proceeding very smoothly. In 1652, Mir Jumla returned the vermilion and copper supplied according to contract, partly because he had purchased a quantity from the English. The Dutch, on their side, refused to sell cloves at prices already agreed on. Negotiations for further loans also ended in failure because the parties could not agree on the rate of interest.

Matters came to a head in 1653 when Mir Jumla threatened to attack fort Geldria and charge 5 % interest on the money lent by him unless the *Nazareth* and its cargo were immediately restituted and passes granted for the Portuguese territories in Ceylon. Governor Laurens Pit, who had succeeded Heussen in 1650 [100] sought Batavia's advice on the matter and it was eventually decided to meet part of Mir Jumla's claim regarding the cargo of the *Nazareth.* Besides, as a compromise measure, passes were to be granted to all subjects of Golconda for ports in the territory of the king of Kandi and also for Achin, on condition that in case of any blockade by the Dutch, ships sailing to Achin should proceed to some other destination approved by the Company. The repayment of a part of the loan with interest and the sale of a quantity of cloves to Mir Jumla also helped to ease relations. By the end of 1653, purchase of cloth once more proceeded smoothly in the territories under Mir Jumla, who also granted the Company a fresh loan of 4,000 pagodas at an interest of 1½ % a month.[101]

During 1654—55, the difficulties encountered by the Dutch in their relations with Mir Jumla were mainly due to the restrictions imposed by the Company on the Mir's overseas trade. One of his ships sailing to Macassar was diverted to Batavia at the request of the Dutch. The *nakhoda* or agent on this ship complained on his return to Masulipatam of unfair treatment, unduly heavy tolls and unsatisfactory business transactions at Batavia. In consequence, Mir Jumla demanded that a higher price should be paid for the cloth purchased from his ship and the Dutch were forced to agree. Soon afterwards the Mir was incensed by the Company's refusal to grant a pass for Bantam or Batavia and

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[100] In 1650, Pit succeeded Heussen as director and president. Jacob de Wit, sent as governor in 1651 died shortly after reaching Coromandel and Pit was formally appointed governor in 1652. See K.A.1076, August 1651, f.135vo, 20.9.1651, f.138; K.A.1086, 16.10.1652, f.517.

[101] K.A.1086, 16.10.1652, f.517; K.A.1087, 19.1.1654, ff.229, ff.243vo, 261vo—262; K.A.1091, 5.2.1653, ff.256 ff; K.A.1094, 2.1.1654, f.417.

was eventually pacified only when the Dutch agreed to purchase the cargo procured for the intended voyage. The dispute over the restitution of the goods captured from the *Nazareth* had also remained unsettled and in September, 1655, factor Pavilioen and the Company's Brahmin agent, Padmanabha, went on a mission to Mir Jumla to settle this vexatious question. Though this mission proved a complete failure, a relatively stable agreement was reached towards the end of 1655. Laurens Pit now agreed to pay the compensation demanded for the *Nazareth* and Mir Jumla prohibited his own ships from sailing to Jaffnapatam in view of the Dutch-Portuguese war. The Dutch also conceded to him the right to trade with Macassar, Bantam and Queda within certain limits and allowed some of his wares to be sent to Malacca on their own ships.[102]

Conditions in Golconda during 1656—58 were congenial for the Dutch, except for some temporary difficulties in 1657. In 1656, Mir Jumla granted an additional loan of 50,000 pagodas at 1 % interest and the total debt to him now amounted to 972,160 florins. Early in 1657, the Mir was highly aggrieved when the Company refused to grant a pass for Achin because the Dutch were at war with that kingdom, and he was pacified only after a quantity of benzoin and eagle-wood were sold to him at less than cost price. Later that year he also insisted for a while on the repayment of the loans due to him, but soon showed a more accomodating spirit and the Company's relations with him remained very friendly for the rest of the period. In 1658, Dutch trade throughout Golconda was in a flourishing state and a *farman* from Qutb Shah abolishing the 2½ % toll payable by the Company's middlemen further strengthened its position.[103]

The Dutch possition in Golconda during the 'fifties was in fact strong enough to warrant the establishment of a new factory in that kingdom. In 1651, Iliyas Beg, the *sar-i-lashkar* of the Gingeli coast, requested the Masulipatam factors to trade in the territory under his command. As large quantities of rice and *dungri* cloth — both required for Ceylon — were more easily available in that region than at Masulipatam, under-factor Gerrit Backer was sent with a present to secure from the *sar-i-lashkar* the right to open a factory at Bimlipatam or Vizagapatam. The

102 K.A.1094, 15.9.1654, ff.452 ff, 23.9.1655, f.459, 17.10.1655, f.466, K.A.1100, 24.12.1655, ff.77 ff, 7.6.1655, ff.345 ff; K.A.1101, 15.2.1655, f.348.

103 K.A.1104, 4.2.1656, ff.39 ff; K.A.1107, 31.1.1657, f.57; K.A.1111, 16.1.1658, f.38, 19.11.57, f.669, 24.2.1657, f.526vo, 22.10.1657, f.596; K.A.1115, 14.12.1658, ff.73 ff, 81vo.

fact that ships built in these places could be used for transporting cargo to Ceylon was a further inducement for the Dutch and eventually, by August, 1651, a factory was established at Bimlipatam.[104]

In 1656, the foundations were laid for still another factory in the Golconda kingdom. As the prevailing political insecurity and Mir Jumla's monopolies interfered with the sale of spices on the coast from time to time, the Company decided that year to sell part of its cargo at the capital, Golconda, and this measure proved a success.[105]

The situation in south Coromandel throughout this period was rather different from that in the north. War, anarchy and famine, — and, only to a lesser extent, commercial rivalry with local officials, — were the chief difficulties with which the Dutch had to contend. The political turmoil in the Carnatic kingdom, however, contributed to two positive developments. It induced and helped the Company to acquire partial administrative authority in some places and forced it to look for new centres of activity in the comparatively peaceful regions further south.

The situation in the north Carnatic quickly deteriorated after Sriranga's accession because of the depredations of the Golconda army and internecine troubles. By 1643, the procuring of cloth for the Company was seriously affected and the sale of its wares nearly stopped. In April that year, the king visited Pulicat and granted a new *kaul* to the Company: The Dutch were now exempted from the payment of import and export duties at Pulicat and granted half the toll due from all ships visiting the port. Their relations with the king became even more friendly when in 1644 they helped his men to beat back an attack on Pulicat by the Golconda army. As a result new agreements were concluded with Lakshmana-nayak, the lease-holder of Pulicat, which considerably reduced the internal custom duties for the Company. Any advantages which the Dutch might have gained from such agreements were, however, neutralised by wide-spread devastation of the country and the famine which followed in its wake. As the Golconda army approached Pulicat, all semblance of organised government disappeared from that region, while the local chieftains turned into rapacious warlords and organised regular plundering expeditions. The Company's own middleman, Chinanna, became hostile to the Dutch in 1645, collected an army and tried to starve out Pulicat, though not with any great success. By 1646, trade in north Carnatic came to a standstill and the

[104] K.A.1074, 24.1.1652, f.11vo; K.A.1076, 6.7.1651, f.241vo; K.A.1079, 1.9.1651, f.250vo.

[105] K.A.1104, 4.12.1656, f.41vo.

Company could only wait for a better opportunity to resume its normal activities. In May, 1646, however, the Dutch decided to accept the lease of Pulicat for 8,000 pagodas a year. The king also granted them the income of a number of villages dependent on the port, while the villages of Erikan and Wansiwake continued to be in their possession as before. Thus for the first time the Company acquired administrative authority over an important region on the coast.[106]

Conditions in north Carnatic improved after 1647, when the entire region including Pulicat came under the rule of Golconda. Peace returned to the land after many years, normal trading conditions were restored and, by 1648, the famine was also at an end. In January, 1647, Mir Jumla granted the Company a *kaul* recognizing its existing rights at Pulicat, except that the internal custom duties payable by the Dutch were raised by 25 %. In 1649, as a further favour, the Mir exempted the Dutch from a third of the toll payable at Armagon and granted them trading rights at Allamparwa, north of Pondichery, a place which was expected to attract the cloth-manufacturers from Gingi. The only drawback was the danger that Golconda, in accordance with its general policy, might prohibit a foreign nation from holding any fort in its territory. Batavia's recommendation that Geldria should be fortified against any possible attack was unacceptable to the local factors because the fort was in no position to withstand a siege. Fortunately for the Company, however, the threat to Geldria did not materialise.[107]

Despite occasional conflicts with Mir Jumla which had their repercussions in north Carnatic as well, the Dutch had a fairly easy time in this region until 1656 when Sriranga's efforts to recover his lost domains once more seriously hampered trade in the Pulicat and Armagon area. At this stage they definitely sided with Mir Jumla's men and as a reward, in 1658, the Company was again granted the lease of Pulicat which had been in the hands of the Mir's agents for some years.[108]

In the early 'forties, trade in the Gingi territory was seriously affected

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[106] K.A.1051, 22.12.1643, ff.38, 41; K.A.1055, 20.1.1645, ff.7 ff; K.A. 1056, 3.6.1643, f.776vo, 9.7.1643, ff.782vo, 785vo, 786vo; K.A.1059, 5.10.1644, ff.276 ff; K.A.1060, "Verhael enz.", ff.196vo ff; K.A.1062 (vervolg), 28.2.1646, ff.801—802, 3.5.1646, ff.824 ff, 24.5.1646, ff.988 ff; Heeres, I, pp.403—405, 424—29.

[107] K.A.1064 (vervolg), 2.8.1647, ff.675vo ff, 5.3.1647, f.697vo; K.A.1066, 3.3.1648, f.484; K.A.1068, 31.12.1649, f.59, 18.5.1649, f.5555; Heeres, I, pp.486—89, 514.

[108] K.A.1111, 25.12.1656, ff.516 ff, 28.12.1656, f.520, 24.2.1657, f.524; K.A.1115, 14.12.1658, ff.74 ff.

by clashes of interest with General Krishnappa, who had become more powerful than the *nayak* and secured control of the coastal region, including the three important centres of commerce, Porto Novo, Tegenapatam and Pondicherry. As a result of Krishnappa's monopolistic policy, the Company, by 1642, temporarily suspended its activities in Gingi. Early in 1643, negotiations were started with Krishnappa's representatives for reopening trade and a very favourable contract, granting the Company exclusive trading rights in Gingi, was soon secured. Besides, Krishnappa also gave the Company a village near Tegenapatam, which yielded about 1000 pagodas a year. However, when a ship with cargo worth some 35,000 florins was sent to Tegenapatam at Krishnappa's request, the latter offered prices much lower than those agreed upon so that the Dutch refused to unload their wares and returned to Pulicat. In November, 1643, however, following a Dutch mission to his headquarters, the general entered into a new contract with the Company guaranteeing the scrupulous observance of all trade agreements. In April, 1644, the *nayak* of Gingi permitted the Dutch to establish a factory at Porto Novo, while Krishnappa exempted them from the payment of import and export duties at Tegenapatam, Pondicherry and all other places under his control. The very same year, when Chinanna and his nephew, Konera, secured the lease of the Gingi ports, the situation actually took a turn for the worse. The Chettis, in an attempt to force an unfavourable contract on the Company, stopped all merchants and manufacturers from visiting the Dutch factory, seized some of their merchandise, arrested a Dutch merchant and expelled the Company's representative from Porto Novo. In November, 1644 Chinanna's men beseiged the Tegenepatam factory. A struggle between the Dutch and the Chettis continued until 1646, when a decline in Chinanna's fortunes once more forced him to seek the Company's favour.[109]

During 1647—49, a new and far more serious menace threatened the Company's trade in Gingi. Bijapur's war of conquest against the *nayak*'s territory resulted in famine, pestilence and depopulation and a consequent dislocation of commerce and industry. Tegenapatam, where the Dutch had their chief factory in Gingi, was devastated during the

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109 K.A.1054, 4.5.1644, f.567vo, 3.3.1644, ff.575vo—576; K.A.1056, 17.2.1643, f.750vo, 3.4.1643, f.764, 3.10.1643, f.798vo, 3.6.1643, ff.775 ff; K.A.1057, 10.12.1644, ff.173 ff; K.A.1057, 17.12.1645, ff.35 ff; K.A.1059, 5.10.1644, f.283; K.A.1062 (vervolg), 16.8.1646, ff.984 ff; Heeres, I, pp.394 ff, 417 ff, 426 ff.

war. In Gingi, as in north Carnatic, conditions improved with the return of peace. In 1649, the Bijapuri commander in charge of Gingi and Madura granted the Company a reassuring *kaul* and the following year the newly-appointed governor gave further assurances that its trading rights in Gingi and further south would be duly respected. In 1651, *farmans* from the king and the commander-in-chief of the Bijapur army, Khan-i-Khanan, formally guaranteed the Company's trading rights and fixed the tolls for Tegenapatam at 2½ %, which was only about half the previous rate.[110]

In Gingi the Company's policy *vis-à-vis* Asian traders soon collided with the commercial ambitions of the great Muslim nobles of Bijapur, who, like their counterparts in Golconda, were anxious to develop their trade with the countries to the east, now that Bijapur had direct access to the Bay. In 1651, the Dutch seized a quantity of tin from one of Khan-i-Khanan's ships off Malacca, but were eventually forced to return it. In 1652, Khan-i-Khanan's request for passes to Achin and Queda was turned down by the Company. The offer of passes for Tenasserim and Pegu instead did not quite satisfy him and he decided to send one ship to Achin without a pass. Again in 1655, one of his ships returning from Achin without a pass was attacked by a Dutch ship cruising in the Bay. Such incidents were a source of continuous tension despite Khan-i-Khanan's generally friendly attitude towards the Company.[111]

From 1656 to 1658, peace in the Gingi area was once more disturbed as the Khan-i-Khanan fell out of favour with the Bijapur king, who sent his Maratha general, Shahaji, father of Shivaji, to bring Gingi under direct royal control. The civil war which followed had an adverse effect on trade, particularly at Tegenapatam. Further north, Shahaji looted the factory at Sadraspatam, probably established in 1655. Khan-i-Khanan was treacherously killed late in 1657, but as his men continued to hold out against the royal army, conditions remained insecure even long after his death.[112]

The difficulties encountered by the Company in north Carnatic and Gingi were directly responsible for the opening of new factories further

[110] K.A.1066, 25.5.1648, f.556vo, 31.12.1649, ff.58 ff; K.A.1068, 10.2.1649, ff.523 ff; K.A.1076, 30.9.1651, f.165vo, 18.5.1651, ff.209—209vo; Heeres, II, 8 ff, 25 ff.

[111] K.A.1076, 10.12.1651, f.138; K.A.1086, 16.10.1652, f.518vo; K.A.1100, 24.12.1655, ff.78 ff.

[112] K.A.1104, 4.12.1656, ff.43 ff, 1.1.1656, f.209vo: K.A.1111, 27.1.1658, f.687, 24.5.1657, f.541, 12.9.1657, f.580vo; van Dam, II, ii, p.231.

south at Tanjore and Madura, where the conditions were more peaceful and congenial to trade. Adriaen van der Meyde, sent to Tanjore in 1645 with costly presents for the *nayak*, however, failed to secure anything more than vague promises of good treatment, largely as a result of the machinations of Chinanna who did not want to lose his lucrative business of supplying Tanjore cloth to the Company. In the same year on the other hand the Dutch were permitted to establish a factory at Karikal. The chief problem they had to face at this place was the hostility of the Negapatam Portuguese and as a security measure the Company opened a smaller establishment at Trimelevas at a safe distance from the Portuguese colony. By 1648, the Dutch had obtained a firm footing in Tanjore, but the arrival of the Bijapur army near the Tanjore frontier and the hostility of the local authorities, caused partly by Portuguese influence, induced them to reduce their investments at Karikal to a minimum in 1648.[113]

With the Tanjore *nayak*'s acceptance of Bijapur's suzerainty, the threat of war receded and the Karikal factory was included in the *kauls* granted by the Bijapur authorities in 1649 and 1652. Particularly beneficial for the Company was the clause fixing the toll at 2½ %, because by 1651 Karikal had become one of the chief centres for the supply of cloth at prices 20 % to 25 % cheaper than in the regions to the north. Conditions at Karikal, however, remained insecure owing to the persistent enmity of the Negapatam Portuguese. The *nayak*'s demand that passes for Achin and the Malay peninsula should be granted to the Hindu inhabitants of Negapatam became a further source of embarrassment. Towards the end of 1652, the Dutch decided to withdraw their representatives from Karikal and continue their trade with that port through a few employees stationed at Dansborg, by agreement with the Danes. As this step seriously affected the trade and revenues of Tanjore, the *nayak* earnestly requested the Company to reopen the Karikal factory and join him in a combined attack on Negapatam. It was not until 1657, however, that normal trade was resumed at Karikal. Little faith was placed in the *nayak*'s proposals regarding Negapatam and the Dutch conquest of the Portuguese colony in 1658 actually provoked his hostility.[114]

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113 K.A.1057, 9.7.1645, ff.15 ff; K.A.1060, „Verhael enz", ff.225 ff; K.A.1062 (vervolg), 28.2.1646, f.826vo; K.A.1066, 7.10.1648, ff.457vo ff, 25.5.1648, ff.556 ff.

114 K.A.1068, 31.12.1649, ff.58 ff; K.A.1074, 24.1.1652, ff.10 ff; K.A.1076, 18.8.1651, ff.177 ff; K.A.1091, 5.2.1653, f.259; K.A.1093, 26.1.1655, ff.101 ff;

In Madura, the Dutch had a comparatively easy time. In 1645 governor Heussen sent Adriaen van der Meyde on a mission to the *nayak* of Madura, partly in response to the latter's eagerness to have trade relations with the Dutch. The facts that cloth and saltpetre were available in Madura at rates much lower than in Gingi and the former region could supply cheap provisions for Ceylon were also important considerations. On receiving a *kaul* which granted them trading rights in any place they chose to the exclusion of other nations, the Dutch opened a factory at Coilpatam late in 1645 and sent a prospecting mission to Cape Comorin for the purchase of Malabar pepper. Their trade at Coilpatam proved very profitable, despite the poor demand for the Company's wares and the hostility of the Portuguese trading in Madura, because Coilpatam was the only place where certain varieties of cloth were available.[115]

In 1658, at the suggestion of Admiral Rijcklof van Goens, Batavia considered two alternative administrative changes in the Coromandel factories. One was to transfer the headquarters from Pulicat to Jaffnapatam in northern Ceylon and consolidate the Company's position by wresting Tanjore from the hands of the *nayak*. The other was to transfer Jaffnapatam, Manar and the places dependent on them to the Coromandel government. The undesirability of having two administrative authorities in the same island, governor Pit's reluctance to abandon the Pulicat factory as headquarters or burden it with additional responsibilities and Batavia's general objections to any aggressive policy finally led to the abandonment of such plans, though the idea of the eventual fusion of the Coromandel and Ceylon governments was not dropped.[116]

The 'forties and 'fifties were exceptionally significant years in the history of the Company's activities and the commerce of Coromandel. The conquest of Negapatam, in itself a minor episode, symbolised the ascendancy of the Dutch. The right to establish factories in Madura, to the exclusion of other European nations, further emphasized this ascendancy as an established fact. Their expanding capital resources enabled them to set up new centres on the coast itself amidst conditions of extreme insecurity. This insecurity itself was exploited to secure admini-

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K.A.1100, 24.12.1655, f.81; K.A.1104, 4.12.1656, f 44vo; K.A.1110, 17.12.1657, ff.43 ff; K.A.1111, 24.5.1657, f.541. For the conquest of Negapatam, see *infra,* Ch. VI.

[115] K.A.1057, 9.7.1645, ff.15 ff; K.A.1058, 17.12.1645, f.36; K.A.1060, "Verhael enz.", ff.218 ff; K.A.1066, 25.5.1648. f.557vo; K.A.1079, 21.1.1653, f.233; Heeres, I, pp.455—57.

[116] K.A.1115, 14.12.1658, ff.105 ff; K.A.1117, 9.9.1658, f.93.

strative authority, a very convenient aid to exclusive control on commerce. The Indian background had meanwhile developed certain new features. The Company's conflicts with Mir Jumla and the Bijapur officers were no simple struggle between foreign merchant monopolists and native feudal exploiters. Participation of Indians, — Indian nobles in particular, — in India's foreign trade had acquired considerable magnitude, perhaps aided by the influx of European capital and inspired by the examples of the Companies' trade. Their effort to expand their share in this foreign trade met with serious resistance from the Dutch, who were now eager to enter into commercial relations with the merchant nobles, so long as the latter could be prevented from becoming dangerous rivals.

CHAPTER IV

FROM PROSPERITY TO DECAY, 1659—1690

I

1659—1674

The conquest of Negapatam in 1658 symbolized in a spectacular fashion the Company's triumph in the face of manifold problems encountered during the first half century of its career on the coast. The victory over the French at San Thomé sixteen years later indicated a further accession of military might and political power. During the intervening years the volume of trade was also maintained on a level hardly lower than that of the preceding period, and the comparatively peaceful conditions in the greater part of Coromandel offered a welcome change from the wars and anarchy of earlier years. Yet all was not well with the Dutch position on the coast. A rapid expansion of English and Asian trade undermined the superior position which the Dutch had secured after hard struggles. Financial difficulties and a preposterous monetary policy adopted by the Golconda government hampered normal commercial operations, while the heavy expenses of an unprofitable factory developed into a serious predicament.

In Golconda and the northern Carnatic no violent upheavals threatened the Company's trade. Conflicts which had their roots in mutually opposed economic interests also receded into the background because the struggle for ascendancy in the South-East Asian markets was now fought out mainly on a commercial plane, though the familiar political weapons were occasionally used. Minor clashes with officials and the central government occured from time to time, but their roots seldom went deeper than the avarice of some general or temporary governor.

A brief and not very serious famine in Golconda in 1659 undermined the demand for the Company's wares, but conditions soon improved. The demand for wares in the capital city of Golconda was so great that the Company felt justified in establishing a factory there in 1662. As Golconda had close commercial links with several inlands marts of the Deccan and northern India, this new factory proved a very profi-

table source of income, except during years when the approach of the Mughal army or Sivaji's depredations in western India rendered the trade-routes unsafe. An expected difficulty arose in 1669 when general Zafar Beg, governor of the Masulipatam region, stopped the transport of the Company's merchandise to Golconda and besieged the Masulipatam factory in an attempt to extort money. Eventually, the government of the region was taken away from the general through the influence of a courtier who was friendly to the Company and conditions at Masulipatam returned to normal. There was a recrudescence of trouble in 1672 after Zafar Beg was restored to his governorship, but the Company was determined to resist his claim for additional tolls, and preparations to defend the Masulipatam factory induced him to give up his aggressive intentions.

Such recurrent troubles and the fact that both the English and the French had secured freedom from tolls in the Golconda kingdom prompted the Company to appeal for a *farman* granting duty-free trade in return for a large tribute. Negotiations undertaken with this object were interrupted by the death of king Abdulla Qutb Shah in 1672, but the new king, Abul Hassan, soon offered to exempt the Company from all customs duties in return for a payment of 100,000 rupees. The decision to accept the offer was later altered in view of the insecurity resulting from hostilities with the French. And though nothing came of these negotiations in the immediate future, in 1674, as a reward for the expulsion of the French from San Thomé, the king graciously exempted the Dutch from the payment of their annual toll at Masulipatam and presented them with the village of Palicol, long held in lease by the Company. This meant an annual saving of 4,000 old *pagodas*, i.e., 36,750 florins.[117]

In northern Carnatic, the last embers of resistance were crushed when Tupaki Krishnappa, who had put up a struggle against the authority of Golconda on behalf of Mir Jumla, was taken prisoner in 1659. With the establishment of one stable authority in the region, peace returned to the land. The Golconda officials, however, showed a marked tendency towards extortionate practices and the Dutch factors wished in vain for a return to the days of Mir Jumla. The lease of Pulicat enjoyed by the

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[117] K.A.1122, 26.1.1661, f.431vo; K.A.1124, 22.12.1661, f.111; K.A.1142, 30.1.1666, f.188vo; K.A.1160, 2.11.1669, ff.412 ff, 431 ff; K.A.1169, 19.12.1671, f.175vo; K.A.1175, 11.12.1672, f.48vo, 31.1.1673, f.247, 19.11.1672, f.395vo; K.A.1181, 28.6.1673, f.507; K.A.1187, 19.1.1675, ff.246 ff; van Dam, II, II, pp.163—4.

Company for years was now taken away. The king only promised that the Dutch would be consulted in all important matters relating to Pulicat. Things came to a head in 1668, when the governor of Pulicat established a monopoly on the sale of grains and victuals, forbade all import of these commodities from the inland areas and laid down that all dues to the government must be paid in grain. In consequence, there was a mass exodus from the town and, though the Company's trade did not come to a standstill, it suffered considerable hindrance. Eventually, many of the citizens returned on hearing of the likelihood of the governor's dismissal. Several heads of castes went to Golconda, encouraged by governor Pavilioen,[118] to negotiate a settlement and it was eventually agreed that the monopoly would be abolished on payment of 7,000 pagodas. When the citizens refused to abide by this contract, sixty heads of castes were thrown into prison. To ensure that its authority in the internal affairs of Pulicat acquired during the war did not go by default, the Company secured the release af the arrested men by force of arms. This led to a siege of Geldria which was raised only after representations had been made to the local general, Nekman Khan. Again, in 1670, a Golconda general overran Pulicat and demanded a ransom from the Dutch, but withdrew when the Company prepared to attack him.[119]

The new factory at Sadraspatam, with its ample supply of rice, cloth, coir and ray-skins, proved very profitable for the Company and the Dutch secured the lease of the place in the early 'sixties. General Neknam Khan, jealous of any administrative or political authority acquired by foreign nations in Golconda territory, took away this lease from the Company in 1666. In 1668, he also stopped all traders from visiting the Dutch factory, because of his mistaken belief that the factory was being fortified. When the Dutch retaliated by stopping the issue of passes, the restrictions were withdrawn, and the Company was once more granted the lease of Sadraspatam. New difficulties arose in 1671, when the local governor demanded tolls for the wares loaded and unloaded at the port, particularly the stones which were being quarried for export to Batavia. The Company admitted that the original *farman* for Sadraspatam entailed the payment of the toll, but the relevant clause had been allowed to fall into disuse by a tacit understanding.

[118] Cornelis Speelman secceeded Laurens Pit as governor in 1663 and was followed by Anthoni Pavilioen in 1665.

[119] K.A.1119, 10.12.1659, ff.43 ff; K.A.1121, 11.10.1659, f.795; K.A.1156, 7.11.1668, f.499, 26.6.1668, K.A.1159, 17.11.1669, ff.106 ff, K.A.1164, 24.6.1670, ff.581 ff.

It was decided to resist the claim, for it was now considered necessary to defend the rights of the Company not merely as a trading body, but as representatives of the Dutch state. This policy of strength once more had the desired result. The claim for new tolls was dropped and the Company's lease of the port extended for a further period.[120]

In 1665, the Company tried to open a new factory at the inland township of Ramelepatam, halfway between Pulicat and Masulipatam, where commodities like cloth, iron and gunny-sacks could be procured cheaply. A twelve years' lease of Ramelepatam was secured from the local *nayak* and the construction of a factory was started. This project had to be eventually dropped because Neknam Khan, in whose jurisdiction the town was included, regarded it as the beginning of an autonomous foreign enclave. Dutch interests at Ramelepatam were entrusted to a Brahmin agent.[121]

At Bimlipatam, on the Orissa coast, difficulties arose from time to time mainly because of the almost exclusive monopoly of the rice trade enjoyed by the local governor and the *sar-i-lashkar* of Sicacol [Srikakulam]. As the government of the place was farmed out at exorbitant rates, the temporary governors were practically forced to extort money by all possible means and this unwholesome system was at the root of all troubles. Procurement of rice, which was the chief purpose of the Bimlipatam factory, involved constant haggling over prices and when there was a change of governor, it was often difficult to secure the full quantity paid or contracted for. In 1665 the factory was temporarily abandoned as a protest against such treatment. Again in 1666 a Dutch factor was arrested and forced to pay a large amount because the Company was suspected of complicity in an attack on the Orissa coast by a Portuguese ship. Later, in 1668, a fracas between the Dutch and the governor's men led to the siege and temporary occupation of the factory by the *sar-i-lashkar*'s men. Despite such frequent troubles, the Dutch held on to the Bimlipatam factory as it was one of the chief sources for the supply of rice to Ceylon.[122]

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120 K.A.1124, 22.12.1661, f.100; K.A.793, 19.4.1666, f.131, 10.6.1666, f.251, K.A.1156, 7.11.1668, ff.499 ff, 22.1.1669, f.487vo; K.A.1160, 10.7.1669, f.476; K.A.1169, 19.12.1671, f.178, 7.8.1671, f.792vo; K.A.1175, 19.11.1672, f.395vo; Heeres, II, p.256.

121 K.A.1142, 6.11.1665, f.1408, K.A.1143, 5.3.1665, f.309; Heeres, II, pp.301—302.

122 K.A.1122, 16.12.1660, f.433vo; K.A.1143, 5.3.1665, f.271; K.A.1147, 31.8.1666, ff.695vo—96; K.A.1156, 7.11.1668, f.499vo; K.A.1160, 28.6.1669, f.456; Heeres, II, pp.327—28.

The conditions in Gingi and Tanjore during these years was far from peaceful. The troubles started with a punitive expedition undertaken by Bijapur against the *nayak* of Tanjore. Later, Shahaji Bhonsla, who was left in charge of this campaign came into conflict with the Bijapur general Balbulla Khan in Gingi, and the coastal towns of Tegenapatam and Porto Novo got involved in the civil war which followed. In February, 1661, Shahaji secured possession of Tegenapatam and the consequent insecurity seriously hindered trade, though the general did not in any way directly damage the Company for fear of reprisals against one of his ships which was then being loaded at Porto Novo. In 1662, Balbulla Khan recaptured Porto Novo from Shahaji and besieged Tegenapatam and for several months no trade was possible in the region. Fortunately for the Company, Shahaji was reconciled to the Bijapur authorities the following year and normal trading conditions were restored. Later, in 1670, peace in this region was once more disturbed by an expedition against the local *nayak* who was in possession of Gingi, but this time only the sale of the Company's wares was seriously affected, the procurement of cloth being maintained more or less on the normal level.

An unusual problem encountered in Gingi in this period was the free minting of *fanums* of very poor alloy by the Bijapur officers in charge of the different districts. The face value of these small copper coins which constituted the chief currency for day-to-day purposes, was now fixed at a level much higher than their intrinsic worth. The officers forced the people living under their jurisdiction to accept this debased currency and made large profits on the transaction. In an economy still for the most part non-monetized, where the value of coins was equivalent to the intrinsic value of their metallic content, such measures did not imply the introduction of a token currency, but were merely a form of arbitrary exploitation. *Fanums* minted in a particular district became quite unacceptable in other parts. Besides, the Company was often forced to make their payments in old *pagodas*, which alone had any credit in the Gingi markets and had to be purchased at this time at exorbitant rates. There was a general rise in the price-level as a net result. The fact that the Dutch records do not mention this problem after 1661 probably indicates that this indiscriminate minting of debased *fanums* was stopped after a time.

In 1669, Sher Khan Lodi, the governor of Gingi, forced the weavers at Tegenapatam into a contract for supplying cloth exclusively to himself. The Dutch retorted by stopping their trade at Tegenapatam and

warned Sher Khan that all Bijapur shipping would be attacked at sea unless free procurement of cloth was soon allowed. This threat had the desired result. In all probability Sher Khan Lodi had a hand in the new troubles encountered by the Company in connection with their supply of cloth. In the middle of 1669, a conflict developed between the master weavers at Tegenapatam and the Company's middlemen, which led to a combined action on part of the producers to safeguard their economic interests. The weavers jointly decided to stop supplying cloth to the Chetti merchants and to deal directly with the Company so that they themselves might enjoy the profits which had previously gone to the middlemen. This proposition was considered disadvantageous, not only to the Chettis but to the Company as well, for direct dealings with the craftsmen would increase their bargaining power. Besides the weavers, altogether unprovided with capital, could not be depended upon to maintain a regular supply. In fact they were entirely dependent on advance payments from the middlemen, and the Company did not have adequate capital to be able to replace the Chettis in this respect. Sher Khan Lodi now offered to provide the necessary advance to the weavers, so that he might become sole supplier to the Company, but his clever scheme was resisted by both the Company and the weavers. The Dutch began to consider seriously the possibility of procuring cloth from the leaders of the weavers. The governor, who was losing heavily in revenue through the long stoppage of the Company's trade, came to the aid of the Company in August, 1669. He entered into an agreement with the Dutch to suppress the craftsmen's revolt and make them manufacture for the Chettis as before; and by the end of the year conditions in Tegenapatam returned to normal.[123]

In Tanjore, the period started inauspiciously with the invasion of the Bijapur army in 1659. The widespread devastation carried out by the invaders resulted in one of the most serious famines experienced in that region. All trade came to a standstill excepting the purchase of slaves. The depopulation was so extensive that by 1661 even slaves were no longer available. To add to the Company's burdens, Shahaji plundered Karikal that year and carried away some of the merchandize procured by the Dutch. By 1662, the situation improved in Tanjore;

[123] For the situation in Gingi in this period, see K.A.1122, 16.12.1660, f.73vo, 26.1.1661, f.430; K.A.1124, 22.12.1661, ff.95, 98 ff; K.A.1128, 26.12.1662, f.197; K.A.1132, November, 1663, ff.668 ff; K.A.1159, 17.11.1669, ff.105 ff, 28.6.1669, ff.468 ff; K.A.1160, 2.11.1669, f.413vo; K.A.1164, 24.6.1670, f.580vo; K.A.1169, 19.12.1671, ff.178 ff.

only the newly conquered settlement of Negapatam turned out to be a liability rather than an asset. The *nayak*'s anger at the military action undertaken by the Dutch in his territory had died down on the receipt of suitable presents and in 1661 the Dutch secured from him a very advantageous *kaul*. The Company was granted the income from the ten villages formerly owned by the Negapatam Portuguese, exempted from the payment of half the usual toll and permitted to mint *pagodas* on payment of only 50 % of the usual duties. The following year, the *nayak*'s representative tried to collect full tolls from the Dutch, but the Company forced him to give a written statement agreeing to abide by the *nayak*'s *kaul*.

Still, Negapatam remained a burden for the Company. The famine had dispersed the manufacturers of cloth from the area and the little cloth that was available there was in poor demand in the Indies. By 1664, some 100 families of weavers and painters returned to Negapatam and the adjoining villages, partly at the instance of the Dutch, and in 1665 the factory also made a small profit for the first time on the sale of its wares. But again in 1667 and 1668 the expenses of the factory outbalanced the profits by 16,445 and 27,404 florins respectively. Batavia's numerous suggestions for making the factory a more profitable concern all proved impracticable for one reason or another. The chief reason why the Dutch still held on to Negapatam was the prestige value of its fort, which would provide shelter if the Company were asked to quit Geldria. In 1667 the Dutch began to send their wares from Negapatam to two inland marts in Tanjore and Madura, but the improvement resulting from this step was soon cut short by the outbreak of war between Madura and Tanjore which affected the security of the inland trade routes. The Tanjore-Madura war ended in 1669, but the heavy indemnities paid by the *nayaks* to Bijapur in 1670 as the price of peace induced them to undertake a policy of severe exploitation. The consequent sharp rise in the price level severely affected the Company's purchases. In 1671, Serca Thevar, a vassal of the Tanjore *nayak*, occupied lower Tanjore, which included Negapatam and Trimelepatam, a place taken in lease by the Company in 1666. When the Dutch turned down the Thevar's demand that the dues for the two places should be paid to him, he threatened an attack on Negapatam but eventually assumed a more friendly attitude. The situation changed suddenly in 1673 when the Tanjore *nayak* and his family killed themselves during a siege of their capital by the *nayak* of Madura, and the whole territory virtually passed into the latter's hands. That year, to

relieve the Coromandel government of the burden of the Negapatam factory, both Negapatam and Trimelipatam were transferred to the hands of the Ceylon government, an arrangement which was destined to last for several years.[124]

The Company's annals in Coromandel during the years 1659 to 1674, considered from the view-point of mere political relations, contained nothing significantly new, despite their spectacular victory over a powerful enemy. The real arch-enemy now was a rival in commerce with increasingly superior resources and the story of the Company's struggle against them is told elsewhere in this volume. The situation inland was marked as before by extensive anarchy and ingenious forms of exploitation. Despite all this, the local market for the Company's imports and the machinery of production were apparently resilient enough in the North to encourage a new venture, — the establishment of a new factory in the inland city of Golconda.

II

1675—1690

The factors which led to the decline of the Company's trade in Coromandel were already operating on an extensive scale in the late 'sixties and early 'seventies of the seventeenth century. Still during those years the Dutch, with their enormous resources and the advantage of an ascendancy enjoyed for decades, managed to keep their heads above water. The peace which prevailed in the greater part of Golconda and the Carnatic was also of great help to the Company. During the last quarter of the century the Mughal invasion swept across Bijapur and Golconda into the Carnatic, leaving a trail of desolation and dislocating the economic life of the region. The expansion of the Maratha power to the eastern parts of peninsular India and its bitter struggle with the Mughals once again undermined peace and security in much-harassed Tanjore and Gingi. The Company, with its position already weakened in the preceding decade, felt the blow most severely. The

[124] K.A.1119, 24.7.1659, ff.884vo; K.A.1121, 30.6.1959, ff.655—57, 11.9.1659, f.795; K.A.1124, 22.12.1661, f.95; 24.1.1662, ff.169vo—70vo; K.A.1128, 26.12.1662, ff.193, 197; K.A.1136, 4.8.1664, f.264vo; K.A.1152, 6.2.1667, ff.150 ff; K.A.1156, 7.11.1668, f.500, 19.12.1668, ff.262 ff; K.A.1164, 24.6.1670, f.581; K.A.1161, 10.9.1671, f.748; K.A.1169, 13.2.1169, 13.2.1671, f.781vo; K.A.1181, 29.4.1673, f.575, 31.1.1674, ff.131 ff; Heeres, II, pp.334—5, 514—17.

English with their increasing resources and the Indians with their low cost trading technique, on the other hand, actually achieved an expansion of their commerce despite such heavy odds. The Dutch failed to respond to the manifold challenge with sufficient vigour and their chances were finally ruined by a heavy burden imposed on the Coromandel government through an ill-conceived measure, — the transfer of the headquarters to Negapatam.

Yet, in 1675, the Company's prospects did not look gloomy. In Golconda in particular its prestige was very high and Qutb Shah actually offered the township of San Thomé to the Dutch. The Company politely refused for as a centre of trade San Thomé was not worth the expense that the maintenance of a garrison, — essential under the circumstances, — would involve. In January, 1676, the young king came on a pleasure trip to Masulipatam and was regally entertained by the Dutch. The 66,458 florins spent on presents for the king and his entourage were amply repaid by the nine *farmans* which the king granted on the eve of his departure in February, 1676. The most important concession secured was the exemption from the payment of tolls at Sadraspatam and Bimlipatam. This meant that the Company was granted freedom from tolls practically throughout Golconda territory. Besides, orders were also passed for giving the Company the 260 *bahars* of rice due from the former governor of Bimlipatam. Negotiations for securing the possession of Pulicat, started in 1675, however, did not yield any results. In December, 1678 the king paid a second visit to Masulipatam but was not pleased with the presents given by the Company. So the various petitions put up by he Dutch including one asking for the ownership of Pulicat were turned down.[125]

The implementation of the *farmans* granted in 1676 did not prove easy. The *sar-i-lashkar* of Srikakole refused to abide by the orders for the restitution of the rice due from the former governor of Bimlipatam and forcibly collected tolls, in contravention of the *farman*. Failing to obtain satisfaction by peaceful means the Dutch organised a blockade of the Gingelly coast in 1677 which resulted in a complete stoppage of rice exports, the chief trade of the region and this affected the food supply to Masulipatam and the adjacent regions. Pressure from the Masulipatam and Golconda authorities, the seizure of one of his ships

[125] K.A.805, 24.7.1678, f.596; K.A.1196, 23.11.1675, f.88; K.A.1202, 21.2.1675, ff.182vo—83; K.A.1204, 30.9.1676, ff.40vo ff; K.A.1230, ff.38vo, 444; K.A. 1237, 25.3.1679, ff.1118 ff; Heeres, III, pp.12—23; Havart, I, pp.182—90, van Dam, II, ii, pp.236 ff.

and the heavy losses resulting from the stoppage of trade eventually induced the *sar-i-lashkar* to accept the Company's terms, and the Dutch returned to Bimlipatam in 1678. It was some time before normal trade could be resumed at that factory, for many of the weavers working for the Dutch had taken to agriculture through lack of employment.[126] Soon afterwards, the rebellion of two Hindu rajas again hindered trade at Bimlipatam and the Company removed the bulk of its effects from the factory to Masulipatam until the return of peace in 1682.[127]

The factories in the northern Carnatic also had to cope with a variety of troubles. In 1676, the Sadraspatam factory was pillaged by some unknown marauders, probably sent by Sher Khan Lodi, the Bijapuri governor of Gingi. As the port lay within Golconda territory, the Company claimed compensation from Qutb Shah for the damages in accordance with the law of the land but secured nothing more than vague promises of investigation.[128] A more dangerous situation developed in 1677 when governor Jacques Caulier, who succeeded Pavilioen in October, 1676 took the extreme step of arresting the *havaldar* of Pulicat as a result of some disputes. The Muslim governor of the lower Carnatic besieged the Company's establishment at Sadraspatam by way of reprisal, and the siege was withdrawn only after the *havaldar* had been released. Batavia took a dim view of the whole episode and recommended greater circumspection in future in all dealings with local authorities.[129]

It was in Golconda proper that the Company encountered the most serious threat to its commerce. During 1677—79, Bijapur was repeatedly invaded by the Mughal army and in September, 1677 an expedition was sent to Golconda as well. The prevailing atmosphere in Golconda and the adjacent regions was one of extreme insecurity and the Company's trade at Masulipatam and Golconda suffered heavily in consequence. Late in 1678, the rebellion of some discontented nobles further affected the security of the Golconda trade-routes.[130]

The ambitions of two Brahmin brothers, Madanna and Akkana, who rose to a position of supreme importance in the Golconda kingdom by the late 'seventies, constituted a more direct threat to the Company's interest. Madanna as *wazir* and Akkana as *sar-i-khail* jointly controlled

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[126] K.A.1212, 20.11.1677, ff.420—22; K.A.1222, 10.11.1678, ff.548—49vo.
[127] K.A.1232, 9.11.1679, ff.486—86vo; K.A.1262, 13.11.1682, f.392.
[128] K.A.1204, 30.9.1676, f.38vo, 28.11.1676, f.153vo.
[129] K.A.1205, 5.10.1676, f.523; K.A.1212, 24.11.1646, ff.172 ff.
[130] Sarkar, *Aurangzib*, IV, Chs. XII—XIII; K.A.1220, 13.2.1679, ff.294 ff.

the affairs of the kingdom and were tying to increase their financial resources by methods similar of those of the erstwhile *mir jumla*, Mir Muhammad Sa'id. In 1683, Akkana began to pay his soldiers in copper instead of silver coins and intended to set himself up as the sole purchaser of copper, of which the Company was one of the chief importers. The right to mint copper coins was at this time held in lease by a money-changer, Chirum Chodenda, for long the chief purchaser of the Company's gold in Golconda. Akkana first tried to secure control of Chodenda's mint through friendly overtures. As his efforts were frustrated mainly through the indirect resistance of the Dutch, the *sar-i-khail* secretly encouraged his subordinate officials to obstruct the Company's trade. Matters came to a head in 1685 when Chodenda was suddenly thrown into prison on a flimsy pretext and the mint was seized by Akkana. The Company received no payments for the copper supplied to the mint and Akkana now openly took several measures against the Dutch. Throughout northern Golconda weavers were forbidden to supply cloth to the Company and boats loaded with the Company's return cargo were seized by the *sar-i-khail*'s men. Only the friendly attitude of the governor of Masulipatam enabled the Dutch to have any trade at all during these troubles. Complaints to the Golconda court did not secure any redress and negotiations with Akkana were eventually opened through the *sar-i-lashkar* of northern Carnatic. The terms offered by the *sar-i-khail* were unacceptable to the Company and he remained unmoved by the Dutch threat to abandon their factories in Golconda. Evenually governor Laurens Pit [131] went on a mission to the capital with a view to straightening out matters through direct negotiations with the king. It was decided to abandon the factories at Dacheron and Palicol and seize Masulipatam in case the negotiations failed to produce the desired results. Late in 1685 Madanna and Akkana were murdered at Golconda through the machinations of some Muslim nobles. The hopes roused by the elimination of the Company's worst enemies were, however, not realised. Pit returned to Masulipatam failing to secure any guarantee for unhindered trade and no payments were received for the copper seized by Akkana.[132]

Meanwhile a steady deterioration in the political and economic

131 Jacob Jorisz Pits succeeded Caulier as governor in 1681 and was followed by Laurens Pit, jr. in 1685; see K.A.1242, 29.4.1681, f.270; K.A.1297, 11.12.1685, f.151vo.

132 K.A.1271, 31.12.1683, ff.203vo ff, 225; K.A.1283, 30.11.1684, ff.108 ff; K.A.1297, 11.12.1685, ff.168vo—190vo; Sarkar, *Aurangzib*, IV, pp.353 ff; Havart, II, pp.154—64.

situation in Golconda had brought the Company's trade almost to a standstill. The Mughal invasion of Bijapur and Golconda in 1685—86 and the eventual conquest of Bijapur in 1686 severely affected all trade between Golconda and the regions to its west and north. Famine followed in the wake of war and a prolonged drought. Heavy taxation, necessitated by the large tribute payable to the Mughal emperor, added to the sufferings of the famine-stricken people of Golconda. Rajas and chieftains in the Carnatic and Orissa rose in open revolt, merchants and weavers left the kingdom in large numbers and thousands of men and women sold themselves in slavery. In conditions such as these the obstructive policy of the Golconda authorities became all the more irksome to the Dutch and they decided on extreme measures after the failure of Laurens Pit's mission.

In July, 1686 the Dutch abandoned the Dacheron and Palicol factories and with the aid of reinforcements from Ceylon captured Masulipatam without any bloodshed. The local officers thereupon laid siege to the town but the Golconda army fared badly in a skirmish which took place on the 13th August. In September, 1686 the king opened negotiations with the Dutch and the siege of Masulipatam was abandoned. Eventually, in November, 1686 an agreement was reached whereby Qutb Shah undertook to return in the course of five years the 120,000 pagodas claimed by the Company for the copper seized from Chodenda and also guaranteed the restoration of all privileges enjoyed by the Company.[133]

The concessions secured from Qutb Shah with so much trouble proved to be of little avail. In October, 1687 after a prolonged siege the fort of Golconda surrendered to the Mughal army and the entire territory of Golconda including the Carnatic passed into the hands of the emperor Aurangzeb. The effects of the war of conquest were disastrous for the entire trade of the northern Coromandel. High prices, famine and pestilence, the usual accompaniments of war in India, affected the region on an unprecedented scale. Trade at Masulipatam, deserted by merchants, came to a dead stop. Transport of goods to Golconda became impossible because of the insecurity of the roads and unavailability of beasts of burden. The factory at Nagelwanse, an important source for the supply of cloth, was plundered by a marauding band of

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[133] K.A.1312, 30.9.1686, ff.7—16; K.A.1327, 11.12.1686, ff.1077 f; Heeres, III, pp.414—23; Havart, I, pp.211—13, II, 164—65; Valentijn, V, i, Choromandel, pp.67—8; van Dam, II, ii, p.166.

Mughal soldiers. Only at Bimlipatam the Company's trade was maintained on a normal level.

The Orissa factory, chiefly useful for the procurement of rice, was hardly an effective substitute for the factories in Golconda. Johannes Bacherus, sent on a mission to Aurangzeb in 1689, secured from the emperor a confirmation of the privileges enjoyed in the days of the Qutb Shahi kings, but the Mughal emperor refused to pay the balance of the compensation due from the Golconda government. And no imperial *farman* could help to resuscitate the trade which was on a point of collapse through a general dislocation of the entire economy of the region. Reporting to the *Heeren XVII* on the state of the Company's Coromandel trade in March, 1691, the Batavia authorities wrote dismally of the desolation still prevailing throughout the northern territories. Of the return cargo required for the South-East Asian trade only a small proportion could be procured and there was no prospect of a return to normal conditions for years to come.[134]

Conditions in the south throughout the period were not much better than in the north. In 1676, the governor of Gingi declared in favour of the Mughal emperor against the Bijapur Sultan and the consequent troubles affected the Company's trade at Tegenapatam. Further South, the efforts of Shivaji's half-brother Ekoji, a Bijapur officer, to expel the Madura *nayak* from Tanjore territory had a similar effect on the trade of Negapatam, still under the Ceylon government.[135]

In 1677, Shivaji wrested Gingi from the hands of Bijapur and the following year added parts of northern Carnatic including Vellor to his possessions. The presence of Shivaji's army nearby prevented the Dutch from disembarking their cargo at Tegenapatam and, for some time, no trade was possible in the Gingi area. Subsequently a mission to Shivaji in 1678 secured a confirmation of the privileges granted by Bijapur, only the purchase of slaves being forbidden. The Maratha conquest intensified a problem formerly encountered only in a mild form. The Bijapur authorities had frowned on the Company's policy of refusing passes to merchants sailing from Porto Novo. Shivaji's men threatened reprisals if this policy was not soon abandoned.[136]

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[134] K.A.1330, 27.12.1688, ff.257, 261vo; K.A.1346, 30.12.1689, f.299; K.A.1347, 14.3.1690, f.126vo; K.A.1352, 10.4.1689, f.136; K.A.1355, 26.3.1691, f.394; Heeres, III, pp.516—23; *Aurangzib,* IV, Ch. xlvii.

[135] K.A.1204, 28.11.1676, f.157, 5.7.1677, f.693; *Diary and Consultation Book of Fort St. George,* 1678—79, p.118.

[136] K.A.1212, 24.11.1677, ff.108vo, 117, 169 ff; K.A.1220, 13.2.1679, f.295; Heeres, III, pp.125—26; J. Sarkar, *Shivaji and his times,* Ch. XII.

Tanjore, wrested from the hands of the Madura *nayak*, had become virtually a possession of Ekoji who was ruling the territory in the name of the Adil Shahi Sultan. Following Shivaji's conquest of Gingi, the territorial link between Bijapur and Tanjore was severed. Ekoji was forced to accept the suzerainty of his brother, who nominally confirmed him in his possession of Tanjore. In actual practice, the administration was taken over by Shivaji's men. At Negapatam, which had been returned to the Coromandel government in 1680, the Maratha administrator began to create difficulties in 1683, forbidding the export of rice to Ceylon and extorting a capitation tax from the inhabitants of the Company's villages. He was pacified only after receiving an expensive present.[137]

In 1680 Shivaji died and was succeeded by his son, Shambhaji. In 1684, the Mughal army in a determined effort to crush the Maratha power, pushed into Gingi and penetrated further south to the frontiers of Ekoji's territory. The Maratha *havaldar* of Tegenapatam now tried to extort 'loans' from the Company and there was an unfriendly encounter between his forces and the Company's men. At Negapatam, the Company continued to suffer losses as no sales were possible so long as the Mughal army was in the vicinity of the Tanjore territory. The Mughal conquest of Bijapur in 1686 further affected trade in Gingi and Tanjore. Still in 1687 the difficulties in southern Coromandel were less serious than in the North. In 1688 trade in Gingi actually improved for a while, helped by a fresh *kaul* from Shahaji, Ekoji's son, who had acquired the government of Gingi after his father's death in 1685.[138]

The developments in the Mughal-Maratha war after Shambhaji's execution in 1689 affected the political stability of the entire region within the Maratha sphere of influence. In September, 1689 Rajaram, the new king, escaped from his capital Raigad and made Gingi his new headquarters. The Marathas carried the war into the northern Carnatic and temporarily secured possession of Pulicat. The long-desired ownership of Pulicat was now offered by them to the Company, but the Dutch prudently refused, for fear of offending the Mughals. In 1690, the Mughal siege of Gingi began, and this was followed by a large-scale exodus of peasants, handicraftsmen and traders from all the neigh-

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[137] K.A.1242, 29.4.1681, ff.293 ff; K.A.1271, 31.2.1683, f.239; G. S. Sardesai, *New History of the Marathas*, I, Ch. X.

[138] K.A.1282, 31.5.1684, ff.104vo, 114; K.A.1283, 30.11.1684,f.114; K.A.1307, 13.12.1686, ff.290 ff, 302, K.A.1320, 23.12.1687, ff.248vo—249; K.A.1330, 27.12.1688, f.257; K.A.1333, 27.2.1689, f.1477.

bouring regions. Conditions in the south now resembled those in the north and, in fact, were worse in certain ways. In the north, at least the wars of conquest were over; in the south, the year 1690 only saw the beginning of the widespread guerrilla warfare which eventually drained the resources of the Mughal empire and jeopardised the economy of an extensive region, including Gingi and the Carnatic. No wonder, in 1691, Batavia drew a very gloomy picture of the Company's prospects throughout Coromandel.[139]

Minor vexations, arising out of the Company's internal administrative arrangements, gave further causes for worry during this period and necessitated certain readjustments. The trade at Negapatam as run by the government of Ceylon had endangered the sale of areca nuts and some other branches of the local commerce at Tegenapatam and the consequent difficulties were solved by the restitution of Negapatam to the Coromandel government in 1680. The troubles with the Ceylon government over the question of the line of demarcation between her commercial jurisdiction and that of Coromandel continued until 1683 when the right to trade with the southernmost part of the Peninsula was assigned to Ceylon.[140]

In 1687, Adriaan van Rheede van Meydregt tot Drakensteyn, — appointed Superintendent by the *Heeren XVII* and invested with extraordinary powers of enquiry, supervision and punishment, — came to the coast. As the Seventeen explained to the Coromandel government, they were deeply dissatisfied with the state of affairs on the coast and suspected widespread corruption. Van Rheede went into a detailed investigation of this alleged corruption, suspended and punished many officers, often without stating reasons and left voluminous instructions before his departure. He decided, in opposition to the commonly accepted view on the coast, that Negapatam was potentially a most profitable centre of trade and eminently suitable to be the headquarters of the Coromandel government. Accordingly, in 1690, the headquarters were transferred from the centrally situated Pulicat, one of the most important centres for the supply of cloth, to Negapatam, not very far from the southern extremity of the peninsula, and a place which had caused seldom anything but loss to the Company. At the instance of van Rheede a stone castle was constructed at Negapatam at the expense of one million florins and arrangements were made for stationing a large garrison there. The transfer of the headquarters from Pulicat

[139] K.A.1346, 26.3.1691, ff.392vo, 402 ff; G. S. Sardesai, *op. cit.*, Ch. XVI.
[140] K.A.1220, 13.2.1679, f.297vo; K.A.1271, 31.12.1683, ff.239 ff.

took place in July, 1690 and a long era in the history of the Company thus came to an end.[141]

Both van Dam and Havart, writing shortly after the transfer of the headquarters to Negapatam, looked askance at the measure though they were too prudent to directly question the sagacity of the great man. Unable to place his finger on the real problems, which were perhaps beyond remedy in any case, van Rheede satisfied himself with a grandiose gesture. Negapatam was surely not a more suitable place than Pulicat either as a commercial or as an administrative centre. The factory, even previously a burden on the Company, became very much more so, now that the heavy expenses of the castle and the garrison were added to the usual losses on trade. Whether the transfer of the headquarters to an unsuitable place would have alone ensured the decline of the Company's commerce may be a doubtful question; but that the measure was one of the chief contributory factors to the process of decline seems fairly certain.[142]

For the basic factors in the Company's decline and fall in Coromandel one has, perhaps, to look to regions other than the coast or even Asia. In an open competition for exclusive or nearly exclusive control between Companies of monopolistic merchant capital, backed by powerful nation-states, the major issues were being decided elsewhere and on terms other than relative success or failure in the management of distant factories. The situation on the coast did, however, further undermine the economic basis of an already weakened Company. Steadily losing their ground in trade rivalry with the English, the Dutch were all the less able to live down the effects of paralysing wars and the aggressive demands of a buoyant Maratha empire for the virtual abolition of the passport system. The two sets of uncongenial circumstances reacted on and intensified each other, together hastening the end of Dutch ascendancy in the Coromandel trade.

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[141] K.A.460, 1.12.1688, f.514; K.A.1320, 23.12.1687, f.247; K.A.1347, 14.3.1690, f.132vo; K.A.1355, 26.3.1691, f.405vo.

[142] Havart, I, p.15; van Dam, II, ii, p.110.

CHAPTER V

TRADE WITH OTHER REGIONS

The Dutch policy of making the inter-Asian trade pay for itself and, to a substantial extent, for the return cargo to Europe, had one important consequence: the intensification of commercial relations between the different parts of Asia, involving a more thorough exploitation of the existing markets than was possible earlier because of the limited availability of capital. In the new map of inter-Asian trade which emerged in consequence, Coromandel, — with her textiles virtually treated as the Company's chief medium of exchange, — came to occupy a position of strategic importance. While the Dutch carried the products of the coast practically to all parts of Asia and brought back in return nearly every commodity which could be in demand in Coromandel, much of this trade was carried on *via* Batavia or other important centres of the Company's commerce and not directly from Coromandel. A direct and particularly close commercial relationship, however, developed between Coromandel and certain other regions. In certain places around the Bay the factories set up by the Company were, for some time at least, directly under their Coromandel "government". In certain other regions, the initiative in developing trade was taken by the Coromandel factories.

Bengal, with its rich supplies of rice, saltpetre and slaves, early attracted the attention of the Dutch. There was a ready market for its cloth in the Indies and Europe and for its sugar in Persia. And to oust the Portuguese from the Bay it was essential to penetrate Bengal where they were strongly entrenched. The very strength of the Portuguese in this province, however, combined with the prevailing state of unrest, rendered the task of opening trade with Bengal extremely difficult for the Company. Between 1618 and 1629, ships were sent from Coromandel to Bengal on several occasions to cruise against Portuguese shipping and to purchase rice, slaves, saltpetre, cloth and sugar. But the conviction became increasingly stronger that no substantial trade was

possible with Bengal so long as the Portuguese were firmly entrenched there.[143]

The Dutch efforts to make headway in other regions round the Bay with Coromandel as their base first attained notable success in the 'thirties of the seventeenth century. Trade with Bengal, which had long allured the Dutch, now acquired a special importance in their eyes as they expected to find through it a partial solution of their problem of inadequate cash capital. Moreover, the rivers connecting Bengal with the trade-marts of northern India offered cheaper means of transport than the expensive *kafilas* to and from Surat on which the Dutch depended almost entirely for their trade with Hindustan. The erroneous belief that the Ganges linked Bengal with "the world-famous emporium of Cathay" strengthened the desire for commercial connection with Bengal.[144]

While the strong position of the Portuguese in Bengal had earlier frustrated Dutch efforts to open trade with the province, even after the former's expulsion from Hugli in 1632, the poor demand for the Company's wares and high price of Bengal cloth and sugar continued for a while to render profitable trade practically impossible.[145] In 1632 for the first time a Dutch yacht from Coromandel sailed up to Hugli and, in 1635, factor van der Plas secured from the governor of Bengal *farmans* granting freedom of trade in the province and the right to establish a factory at Hugli. A *farman* granted by Shahjahan the same year further strengthened the Dutch position.[146] Attempts to establish trade were, however, frustrated by the hostility of the Muslim merchants of Hugli, who resented foreign competition, and a new *farman* from Shahjahan in 1636 did not help matters. The hostility of the local merchants, a phenomenon not encountered in Coromandel at least in this early phase, derived mainly from one fact: the Bengal merchants were active in the coastal trade with Coromandel and were reluctant to admit powerful competitors in this sphere. In January, 1637 the Dutch left Hugli for Pipli, then under the authority of the governor of

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[143] Coen, I, p.781, V, pp.120, 129, 384, VII, p.358, VII$_2$, pp.1221, 1440, 1444; K.A.754, 26.3.1624, f.40; K.A.755, Batavia to Coromandel, 24.9.1625; K.A.995, Dedel to Batavia, 2.7.1624; K.A.999, Ysbrantsz to Amsterdam, 8.3.1626.

[144] K.A.1016, 1.12.1632, f.21vo; K.A.1022, 15.8.1634, ff.34vo—35; Heeres, I, p.268.

[145] K.A.1012, 2.2.1630, f.69; K.A.1016, 1.12.1632, f.21vo; K.A.1025, 29.5.1634, ff.316vo—317vo.

[146] K.A.1029, 19.6.1635, f.667; Heeres, I, pp.266—69.

Orissa. There, too, they encountered stiff opposition from the Muslim merchants, but through their persistence and with the aid of fresh grants from the emperor the Pipli factory became a stable and profitable concern by 1639. The Company could now ignore for the time being requests from the governor of Bengal for reopening the Hugli factory. In 1638 the Dutch also obtained the right to buy saltpetre, cloth and other wares from Patna and in 1642 an imperial *farman* granted the Company freedom from tolls on the roads and waterways connecting Bengal with Agra.[147] Conditions in Bengal again became unfavourable when Prince Suja tried to monopolise some sectors of the province's overseas trade and made himself the sole purchaser of elephants, one of the chief items in the Company's list of imports. The demand for the Company's wares, at no time very good, was further affected by large supplies brought from Tenasserim and other places by Asian traders while Portuguese competition continued to present a far more serious problem in Bengal than in Coromandel. In 1645 the Company's interests were threatened even more seriously when the Danes began to seize ships belonging to the merchants of Bengal by way of reprisal for injuries suffered at the hands of the local authorities. The Dutch were asked to stop the depredations of their fellow Europeans or leave the country. Representations to prince Suja eventually secured the withdrawal of this drastic order. The flight of the merchant-middlemen from the chief ports to escape the exorbitant tolls imposed by the prince posed new problems for the Dutch which they tried to solve by posting permanent agents at the sources of supply like Patna and Kasimbazar. By 1647 some of their worst difficulties were over. The prince was more friendly in his attitude, the free sale of elephants was allowed and there was a general improvement in the supply of return cargo.[148]

With the recrudescence of Danish piracy in the Bay in 1649, the authorities once more demanded that the Dutch should guarantee the security of Bengal ships on the high seas. The refusal to grant passes for Suja's ships, in accordance with the new policy, also alienated the prince. A *farman* from the emperor Shahjahan helped to ease the situ-

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[147] K.A.765, 28.2.1639, ff.119—20; K.A.767, 14.4.1640, f.132; K.A.1031, 28.12.1636, ff.58—60; K.A.1034, 10.2.1637, f.623, 9.12.1637, f.178, 25.5.1637, f.675vo; K.A.1036, 22.12.1638, ff.171—171vo; D.R., 1640—41, pp.91, 216; Heeres, I, pp.280—84, 329 ff, 339 ff, 390 ff.

[148] K.A.1054, 4.5.1644, ff.569 ff; K.A.1055, 20.1.1645, ff.9 ff; K.A.1058, 17.12.1645, ff.37 ff; K.A.1060, "Verhael etc:", ff.186 ff, 192vo, 232vo; K.A.1062, 15.1.1647, ff.10vo—11.

ation and, in 1651, Suja himself granted a favourable *farman* guaranteeing the Company's freedom of trade. For a few years things proceeded smoothly and the growing importance of Bengal in the pattern of the Company's Asian trade was recognised by Batavia. Again in 1653 the reluctance of the Dutch to grant passes for some regions, Suja's desire to monopolise the middleman trade with the Company and the hostile influence of Malik Beg, the governor of Orissa, led to a fresh round of troubles. Purchase taxes from which the Company had been specifically exempted were now demanded, the godown at Pipli was sealed by order of the local governor and the Dutch felt obliged to temporarily abandon the Hugli factory in order to escape from Suja's monopolisic designs. The Pipli godown was reopened in 1654 at the insistence of the local merchants who were very much dependent on the Company's trade. The prince also once more became friendly on receiving the passes he had asked for. With Malik Beg's fall from power in 1655 the Company's position in Bengal became quite secure except for the Arakanese raids along the coast which severely affected the province's trade. Dutch prestige in Bengal was, however, now at its highest and in recognition of the great importance of the Bengal factories, they were organised into a separate directorate independent of Coromandel in 1655. In August, 1655 with the appointment of Pieter Sterthenius as the director of the Bengal factories, their direct link with the coast government came to an end.[149]

The Dutch attempts to open trade with the Gingeli coast, rich in very cheap rice and provisions, were successful at a comparatively early date. In spite of poor demand for their wares in this region, an investment of 1000 *pagodas* in 1618 yielded a gross profit of 2500 *pagodas*. In 1628—29, steps were taken to organise this trade on a regular footing by deploying one or two large ships for the purpose.[150]

The trade with the Orissa coast, centring round the import of rice from that region to Coromandel, continued during the 'thirties. In 1630, the Company also procured 100 slaves from Orissa. Following the example of the English, the Dutch tried to open a factory at Hariharpur in 1633 but soon gave up the attempt discouraged by the poor demand for their wares and the uneconomic price of local cloth. From 1635

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149 K.A.1068, 31.12.1649, f.61vo; K.A.1074, 24.1.1652, f.12vo; K.A.1079, 21.1.1652, f.235; K.A.1087, 19.1.1654, ff.249 ff; K.A.1091, 21.3.1655, f.290vo; K.A.1100, 24.12.1655, ff.86 ff.

150 K.A.977, de Haze to Amsterdam, 18.10.1616.

onwards, however, certain varieties of cloth were regularly procured from Orissa.[151]

The Dutch efforts to open trade with other countries round the Bay in the early years of the seventeenth century were partly the result of unsatisfactory trading conditions on the coast and the consequent desire to find more fruitful channels of investment for their capital. The "Informatie" given to van der Hagen as a guide to Eastern trade mentioned Bengal cloth and Pegu rubies as possible sources of profitable commerce. The best *arak* in the whole of 'India' came from Arakan and Bengal and the much sought north Indian indigo could be brought down the river from the Delhi and Agra region to the Bengal coast and Chittagong in the kingdom of Arakan and thence shipped to Coromandel.[152]

It was from such considerations that in 1607, Pieter Willemsz and Jan Gerritsz Ruyl were sent from Coromandel to Arakan with a good cargo. Early next year king Minya-zagyi, then engaged in a struggle with the Portuguese settlers of Chittagong, offered the Dutch free trade not only in Arakan, but also in Bengal and Pegu, territories to which he laid claims; in return, he wanted the Dutch to help him against the Portuguese. As the Dutch were not inclined to get involved in this conflict, nothing came of the king's offer until 1610 when Jacob Dirksz Cortenhoeff went to Arakan and opened a factory at Mrohaung. The king now offered Dianga to the Company, but the Dutch were reluctant to build a fort there as desired by him. Till 1614 the Dutch gained very little from their commerce with Arakan as the country was at war with the kingdom of Ava and consequently trade in the inland areas was at a standstill. The Company's interest in the Arakan trade increased after 1615, when Dutch ships aided king Minhkamaung to beat back an attack of Sebastian Gonzales Tibão, the notorious Portuguese freebooter of Sandwip. Van Berchem, who was always in favour of increased trade with Arakan, felt encouraged by this catastrophic rout of the Portuguese. As he pointed out, Coromandel wares rendered 50 % profit in Arakan whence gold and rubies could be brought to the coast as return cargo. Van Berchem's plans however proved rather ineffectual at the time. His suggestion that factories should be opened

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151 K.A.1012, 4.12.1630, ff.133—4; K.A.1019, 25.12.1633, ff.40—41; K.A.1023, 20.2.1634, f.268vo; K.A.1025, 29.5.1635, f.316vo; E.F.I., 1630—33, p.xxxi.

152 K.A.967, Ysaacx to l'Hermite, 31.5.1608; de Jonge, III, pp.151—52, Till 1615, the Dutch do not appear to have attached much importance to the purchase or rice and stones from Arakan, which became an important feature of their trade in later years.

in Bengal and Tenasserim was also turned down by the authorities in Holland who were opposed to any further splitting up of the Company's limited capital.[153]

The bid to eventually control the entire trade of the Bay of Bengal gave a fresh momentum to the Dutch activities in Arakan despite persistently discouraging circumstances. The results were however not very impressive. The volume of trade with Arakan as late as 1617 was very small, partly as a result of the extremely limited demand for the Company's merchandise in this kingdom. At times the amount spent on sending ships exceeded the value of the return cargo, and in accordance with Amsterdam's instructions to abandon superfluous factories the Company's representative was actually recalled from Mrohaung in 1619.[154]

The growing demand for slaves and rice for the Company's factories in the spice districts and lucrative offers from the king soon led to a revival of interest in Arakan. In 1624, ships were sent both from Batavia and Coromandel to prospect for trade in Arakan. The regular marauding expeditions undertaken by the Arakanese against Bengal for the capture of slaves had turned their country into one of the chief slave-marts of Asia. This now was the main reason for the Company's interest in this country. In 1624, the king promised to sell 2,000 to 3,000 slaves per annum to the Dutch. Early in 1625 a factory was opened at Mrohaung with Paulus Cramerheyn as the chief factor. There were high hopes that the bulk of the 10,000 slaves recently captured by the Arakanese from Bengal would be sold to the Company. But an epidemic killed off some 4,000 of these captives and, in consequence, towards the end of 1625 the Dutch were forbidden to buy slaves in Arakan. The Company's agents, with the exception of two, were now withdrawn as there was little point in retaining a factory there. An occasional Dutch ship continued to visit the country in the quest of rice and elephants. In 1627 a large return cargo of rice and slaves was also secured. But while the Asian traders regularly purchased a large number of elephants, the Dutch efforts in this direction were a total failure. In September, 1628 the remaining agents of the Company were recalled from Arakan. Though

[153] K.A.967, 'Instructie' for Cortenhoeff, Masulipatam, 1610; K.A.968, 30.8.1613, ff.150, 157 ff, 20.2.1614, 233vo; K.A.973, 29.3.1616, f.176; de Jonge, II, pp.86 ff, III, pp.77 ff, 291 ff; van Dijk, pp.13, 31—32; *Nederlandsch Indie,* II, pp.208—9, 213; MacLeod, pp.90, 98, 215 ff; "Studies in Dutch Relations with Arakan", *Journal of the Burma Research Society,* 1936, pp.2—3.

[154] Coen, II, p.296, VII, pp.93, 100—101, 234, 243, 358, 423, 470; K.A.977, de Haze to Amsterdam, 18.10.1616, Resolution, Masulipatam, 16.6.1616.

in May, 1629 an assistant was sent there with a small capital, regular trade was not resumed until some years later.[155]

The need for rice and victuals which persisted during the 'thirties, despite the virtual abandonment of Coen's colonial policy,[156] induced the Company to seek closer trade connections with Arakan, but the main initiative in this respect was taken by Batavia, not Coromandel. Unlike the factories in Bengal and Pegu, the Mrohaung factory, which remained closed for years during this period, was not placed under the authority of Pulicat. Except for providing quantities of cloth, iron and tobacco to supplement the cargo from Batavia to Arakan and receiving in return occasional supplies of rice, the Coromandel factories had very little direct share in the Company's trade with this region after the 'thirties.[157]

The Company's efforts to open trade with Burma were intially even less successful. Two frigates sent with this object in 1619 failed to achieve anything. In 1616—17, attempts were made to establish direct trade links between Coromandel and Siam through Tenasserim but to little purpose.

It was only in the 'thirties that the Company eventually succeeded in opening trade with Burma. Marten Ysbrantsz sent a ship to Pegu with a sizeable cargo in 1634 and in 1635 the first Dutch factory in the kingdom was established at Syriam, soon followed by another at the capital city of Ava. But the conditions of trade were not favourable. Since the removal of the capital to Ava, trade had declined at Syriam and at Ava itself, there was no demand for spices. Of the chief exportable commodities, gold could be secured only in exchange of silver or local bell-metal coins called *ganza,* and rubies were extremely dear. Lac and *ganza,* for which there was some demand in Coromandel, could be exported only with the king's special permission.[158]

Still, for a few years, the Company's trade with Pegu showed a steady

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155 K.A.754, 26.3.1624, f.40, 25.6.1624, f.72vo; K.A.755, Batavia to Coromandel, 24.9.1625; K.A.997, 27.10.1625, ff.244 ff; Coen, VII, p.1221, VII2, pp.1445—46, 1651; van Dam, II, p.97 and n; D. G. E. Hall, "Studies in Dutch Relations with Arakan", *Journal of the Burma Research Society,* 1936.

156 Cf. *infra,* Chapter VII.

157 K.A.760, 5.10.1634, f.12, 29.1.1635, f.480; K.A.768, 3.4.1641, f.71; K.A.1031, 28.12.1636, ff.69, 70; K.A.1039, 18.12.1639, ff.120—120vo.

158 K.A.1019, 15.8.1633, f.20vo; K.A.759, Batavia to Coromandel, 28.6.1633; K.A.760, Batavia to Coromandel, 13.8.1635; van Dam, II, ii, p.81n; D.R., 1641—42, p.157; D. G. E. Hall, "The Daghregister of Batavia and Dutch trade with Burma etc.", *Journal of Burma Research Society,* 1939.

increase; its investments rose from 35,988 florins in 1634 to 156,491 florins in 1639, and its profits, from 28,703 florins in 1635 to 83,690 florins in 1639. True, the Company's profits in Pegu were only 7,862 florins and 30,751 florins in 1636 and 1638 respectively. But these slumps in trade were mainly due to the import of large quantities of piece-goods by Indian merchants.[159]

Rubies, gold, tin, paddy, chillies and Martaban jars were the commodities chiefly exported by the Dutch from Pegu. Besides, they also obtained thence some *pagodas* and bills of exchange payable in Coromandel which supplemented the Company's still slender cash resources. The minor items of export from Burma included ivory, lac, dried ginger, cardamom, musk, deer skin, Chinese *gory* plates,[160] buffalo horns and *ganza*. Of these various articles, two very different items, — rubies and chillies, — were most in demand throughout Coromandel. But attempts to export Burma rubies to Europe and chillies to Batavia did not prove very profitable. The commodities sold by the Company in Pegu included pepper, Bengal cummins, Calitura wood, gold yarn and rayskins. A quantity of European pearls secured very high profit in 1639—40, but this line of trade could not be developed because of inadequate supply.[161]

Following a period of brief prosperity, the Company's trade in Burma was at a low ebb by the early 'forties. The competition of Indian and Portuguese merchants, royal monopoly of particular lines of trade, losses through bad debts, inexperience of the Company's employees, — all these various factors were responsible for the situation. By 1642, the profits in Pegu fell to a mere 24,901 florins, while the middlemen owed to the Company some 50,000 florins, most of which was bad debt. In Coromandel, the demand for rubies and chillies, subject to frequent fluctuations, was in a sharp decline and the coast factories were burdened with unsaleable rubies worth 82,000 florins. Gardenys was now definitely in favour of abandoning the Pegu factories but Batavia, encouraged by a letter from the king of Pegu, decided to continue the trade. The Company's efforts in Burma like those in Arakan, however,

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159 K.A.1031, 28.12.1636, f.57; K.A.1039, 18.12.1639, f.79vo; K.A.1042, 19.5.1640, f.453.

160 Green service plates which, according to populair belief, would crack if any poisoned food was served on them. cf. van Dam, II, ii, p.454.

161 K.A.767, 5.9.1640, f.560; K.A.768, 28.5.1641, f.172; K.A.1029, 10.6.1635, f.671vo; K.A.1031, 5.2.1636, f.1095; K.A.1034, 25.5.1637, f. 679vo; K.A. 1039, ff.1050—51; K.A.1042, 19.5.1640, f.453, 30.5.1640, f.462vo; P. v. d. B., p.121.

never achieved any great success.[162] Royal monopolies continued to shackle the Company's efforts and the permission to export elephants, which alone would have constituted a profitable return cargo, was not granted. Although the market for Coromandel and Bengal textiles in Pegu was of considerable importance, the large supplies brought by Indian and Portuguese merchants caused a glut. The opening of English factories in 1647 further worsened the situation. The idea of abandoning or at least curtailing the Company's establishments in Pegu was very much in the minds of the authorities at Batavia and Pulicat at this time. But their desire to prevent their rivals from securing the control of a market actually induced them to increase the investments.[163] Still, compared to the 'thirties, the average capital investment as well as profits per year were smaller.

In 1651, in an attempt to boost this trade, it was decided to concentrate on the commerce between Bengal and Pegu. This new policy achieved some success as the merchandise from Bengal fetched relatively larger profits. But the basic problem, viz., the lack of adequate return cargo, remained the same as before. As a last resort in 1653—54 the factors at Pegu were directed to invest their capital in gold and silver rather than let it lie idle, though these metals rendered an average loss of 30 % to 35 %. Besides quantities of small Chinese tin coins called *pitjes* were also imported in the hope that they would find a good market in Bengal and Coromandel. But they had to be eventually sent to Malabar, where alone they fetched a good profit, the Coromandel market being glutted by the English supplies. Some hides, buffalo horns and catechu were also procured for the Japanese market. In 1657 the Company decided to participate in the freight trade between Pegu and

[162] K.A.765, 11.7.1639, f.415; K.A.770, 20.8.1643, f.597; K.A.1047, "Verhael etc.", ff.444vo—45; K.A.1048, 12.12.1642, f.59.

[163] The following statistical data are available for the Company's Pegu trade, 1644—1658:

Year	Value of capital sent to Pegu	Value of return cargo	Net profit on the sale of the Company's wares
1644	34,299 florins	33,560 florins	23,675 fls.
1646	18,912 „	43,337 „	10,334 „
1648	32,703 „	52,830 „	24,129 „
1649	—	38,908 „	20,184 „
1652	—		—
1653	223,664 „		—
1656	69,791 „	68,636 „	58,200 „
1657	—	—	81,761 „
1658	127,304		—

Coromandel and thus break the exclusive control of their Indian and English competitors. The abandonment of the Pegu factories by the English in 1656 was expected to help the Company's trade, particularly in rubies, but such hopes proved to be illusory, though the capital supply was greatly increased in 1658. In view of the closer trade relations between the coast and Burma, it was decided not to organise a separate directorate for Pegu, though the question was discussed in 1655. Thus, for years to come, the Pegu factories remained a burden on the Coromandel government.[164]

The Company's trade with Burma showed an unexpected improvement in 1659—60. Cargo worth 790,271 florins was brought from Pegu to Coromandel in 1659 and it included items like catechu and *namrak* which were selling profitably in Japan, besides 81,292 lbs of gumlac which had a good market in Persia, Mokha and Holland. Tin, ivory, *ganza*, *pitjes* and cardamom imported from Pegu also fetched good profits in Coromandel and a quantity of petroleum was shipped to Batavia. But this boom in the Pegu trade proved very short-lived. Late in 1659, the supporters of the last Ming emperor of China, Yung-li, — who had taken shelter in Burma, expelled from his kingdom by the Manchu conquerors, — attacked Ava and created such havoc in Pegu that for nearly two years no trade was possible there. Siamese raids in south Burma further complicated the situation. In 1662, Yung-li was handed over to the Manchus by the Burmese king and things gradually settled down after that.[165]

But the main problem, — shortage of profitable return cargoes, — which had earlier shackled the Company's efforts in Burma soon reasserted itself. The various commodities which appear in the Company's bills of lading from Pegu at different times were either available only in small quantities or had only a limited market abroad. In any case, after 1664, *ganza*, lead and *pitjes* were the only articles procurable in Pegu which the Dutch hoped to sell with profit. Of these, the first

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[164] K.A.1051, 22.12.1643, f.39vo; K.A.1058, 17.12.1645, f.37; K.A.1062, 15.1.1647, ff.10vo—11; K.A.1026 (*vervolg*), 2.4.1646, ff.810 ff; K.A.1064, 31.12.1647, ff.68 ff; K.A.1066, 18.1.1649, f.89vo, 25.5.1648, ff.559 ff; K.A. 1068, 31.12.1649, 60vo; K.A.1080, 24.12.1652, ff.55, 56; K.A.1086, 8.6.1652, f.472vo; K.A.1087, 19.1.1654, ff.245 ff; K.A.1093, 26.1.1655, f.189vo; K.A. 1094, 15.9.1654, f.436; K.A.1104, 4.12.1656, f.47vo; K.A.1107, 31.1.1657, f.59vo; K.A.1110, 27.1.1658, f.683vo; K.A.1115, 14.12.1658, ff.78 ff.

[165] K.A.1119, 24.7.1659, ff.883 ff; K.A.1120, 11.1.1660, f.282; K.A.1122, 19.1.1661; K.A.1133, 22.6.1663, ff.1309—11; D. G. E. Hall, *Burma,* (London, 1950), pp.67—9.

two had to be smuggled out of the country as there was a strict embargo on their export. Trading in rubies, as the experience of the Muslim merchants indicated, had definite potentialities, but the Company's employees knew too little about it to make it profiable. Attempts to procure indigo and saltpetre proved fruitless. The bulk of the Company's exports therefore consisted of gold and silver, which could be sold only at a heavy loss on the coast. After 1670, the king permitted the export of a limited quantity of *ganza* and lead, besides which the Dutch continued to smuggle out large amounts as before. Bulk of the *ganza* and *pitje* was exported to Bengal, where the latter gave a profit of 80 % in 1671. But presently the volume of export to Bengal had to be reduced as the large supplies by the Dutch and the English were causing a glut in the market. The demand for these cheap metal coins at Golconda whither the supplies were now diverted was found to be limited. A further problem was the very poor demand for the Company's wares in Burma resulting mainly from the excessive supplies brought by the Indians and the English. In consequence, the Dutch had to concentrate mainly on the freight trade between Coromandel and Pegu, but it does not appear to have yielded more than 15,000 florins in any single year. There too the cheaper rates and better service offered by the English spoiled the market for the Dutch. Bad debts were another difficulty the Company had to deal with and in 1674 large amounts had to be written off. At about this time the Company began to consider the question of abandoning the Pegu trade, if it did not show any more promise.[166] The decision to abandon the factories was taken as early as 1676, and it was finally given effect in January, 1678. By 1680, the Company's wares left behind in Pegu were brought back to Masulipatam. Two local traders authorised to collect the Company's bad debts which amounted to 30,941 florins succeeded in recovering 4,417 florins in 1683.[167]

The quest for new avenues of trade in and around the Bay led to an interesting venture in 1659 when an attempt was made to carry out a project long under discussion, namely, the opening of trade with the Andaman islands, wrongly believed to be a good source for the

[166] K.A.791, 10.7.1664, f.246; K.A.797, 22.4.1670, ff.183 ff; K.A.798, 22.10.1671, f.729; K.A.801, 19.10.1674, f.500; K.A.1142, 6.11.1665, f.1409, 5.3.1665, f.295; K.A.1152, 24.6.1667, ff.603vo—604; K.A.1155, 10.2.1667, f.367vo; K.A.1156, 25.6.1668, ff.752, 755; K.A.1160, 1.2.1669, f.425; K.A. 1169, 18.7.1671, f.778, 19.12.1671, f.150vo; K.A.1175, 31.1.1673, ff.242 ff.

[167] K.A.1204, 13.2.1677, f.447vo; K.A.1220, 13.2.1679, f.68;K.A.1242, 29.4.1681, f.270; K.A.1271, 31.12.1683, f.198vo.

supply of gold. A ship and a sloop sent under skipper Jan Willemsz, however, failed to induce the natives of one village to enter into negotiations. In another island, the Dutch had a skirmish with a savage tribe and then decided to return to Coromandel, abandoning as hopeless the project of trade with the Andamans.[168]

Another inconsequential venture was made in 1647, when the Company sent a yacht to the Maldives mainly to procure cowries for Bengal. After considerable difficulties the yacht returned with a cargo of cowries and coir ropes worth 11,716 florins. This experiment, however, does not appear to have been repeated.[169]

The Coromandel factories also played an important role in the early years of Dutch trade with Ceylon. The Company's contact with the island dated back to 1602 and in 1610 the Dutch concluded an agreement with the king of Kandi which granted them trading rights in the island. In 1612, Marcelis Boschhouwer concluded a new agreement which secured for the Dutch the right to build a fort in Ceylon; in return, Boschhouwer promised military assistance against the Portuguese, though he had no authority to do so. The Coromandel factories had their first contact with Ceylon in 1608, when emissaries arrived from the king of Kandi to request the Company's aid against the Portuguese. Aware of the prospects of a lucrative cinnamon trade in Ceylon and the island's convenient position for provisioning ships, van Wesick and Ysaacx had encouraged the king's hopes, though there were too few Dutchmen on the coast to offer any effective help. Later, when Boschhouwer thoughtlessly promised aid to the king, van Berchem was rather in favour of an agreement on that basis. In 1614, a quantity of cloth was sent from the coast to Boschhouwer who was asked to send cinnamon in return. But later that year the home authorities asked Coromandel not to send any more cargo to Ceylon before the Molucca islands were fully provided.[170]

By the 'thirties the Coromandel factories' participation in the trade with Ceylon, — where steel and opium from the coast now found a ready market, — increased considerably. Occasionally, the island also obtained supplies of stores and provisions from the coast. The return cargo to the coast mainly consisted of elephants and areca nuts, besides

[168] K.A.1121, 25.2.1659, ff.645 ff, 10.1.1659, f.638vo.
[169] K.A.1064 (*vervolg*), 1.6.1647, ff.764 ff.
[170] K.A.967, van Wesick to Masulipatam, 25.11.1608, same to Ysaack, 29.11.1608, 12.12.1608; K.A.968, 30.8.1613, f.152vo; *Nederlandsch Indie,* III, pp.214—15; MacLeod, I, pp.91, 97, 22 ff.

some cinnamon, chay-roots and coir. Indian merchants were granted passes for Ceylon, and the Company would often buy up the cargo imported by them.[171]

The trade between Coromandel and Ceylon developed further during the 'forties. The Company's factories in the island and the regions under their control became increasingly dependent on Coromandel, Orissa and Bengal for their supply of rice. The volume of this demand may be gauged from the fact that 1200 *lasts* were ordered for 1655. As early as 1644 Batavia laid down that orders for rice from Ceylon should be given first priority. Gunpowder was another important item of export, but steel and opium, shipped in quantities in the preceding decade, no longer appear in the bills of lading for Ceylon. Elephants were still the chief item imported from the island. A growing market for elephants was now found in Bengal. The losses suffered through their high death rate were amply compensated by the spectacular profits fetched by the sale of these animals. The import of Ceylon areca nuts also increased, particularly after the opening of the new factories in Madura and Tanjore where they were in good demand. 967 *ammanams* [1 *ammanam* = 24,000 pieces] were imported in 1655, as compared to 190 *ammanams* in 1652. But the market for cinnamon was found to be limited and 700 bales of this commodity, which lay unsold on the coast, were sent to Batavia in 1655.[172] During the subsequent decades the trade with the island followed broadly the same lines.

Soon after the opening of the Dutch factory at Gombroon, the coast factories were called upon to provide cloth, Bengal sugar and Pegu gumlac for export to Persia *via* Batavia. Before long direct trade links were established between Coromandel and Gombroon. An important factor behind this development was the decision taken in 1638 to carry in Dutch ships Indian passengers and cargoes on freight from Coromandel to Persia. In that way the Company expected to break the English monopoly of the freight-trade to Persia, improve its finances by earning some much-needed cash and, incidentally, obtain valuable information regarding the Coromandel-Persia trade from the activities of Indian merchants.

From 1639 onwards Dutch ships plying between Batavia and Persia

[171] K.A.1042, 3.3.1640, ff.431—31vo, 19.5.1640, ff.453vo—54; K.A.1047, "Verhael etc.," ff.422vo—23.

[172] K.A.770, 20.8.1643, ff.592—93; K.A.771, 17.4.1644, f.131; K.A.1056, 17.2.1643, f.747vo; K.A.1059, 5.10.1644, f.287vo; K.A.1071, 19.10.1649, f.218; K.A.1086, 8.6.1652, f.472vo; K.A.1104, 5.8.1655, f.253vo.

regularly called at the Coromandel ports, but the outlook for this new trade was not very promising during the early years. The market for rose-water and table fruits, the chief imports from Persia, was already glutted, thanks to the supplies brought by the Indians and the English. Persian pearls could be sold on the coast only at a loss of 10 % to 15 %. The silver coins called *abbasis* also rendered a loss of 18 % in 1641. Persian horses constituted a comparatively profitable item of return cargo and were very useful as presents for kings and nobles.

The demand for Coromandel wares in Persia was also below expectation and in 1639 coast cloth could be sold there only at a loss though the Indian traders, with their greater experience of market conditions, managed to carry on a profitable trade. To cope with the situation, the Company began to procure several varieties of Bengal cloth most in demand in Persia and intensified efforts to supply cloth for Mokha as well. By 1643 the Company expected to make a profit of 40 % to 50 % on coast cloth at Gombroon and recommended an investment of 100,000 to 150,000 florins in the varieties which were in demand there.[173]

By the middle 'forties, trade between the Coromandel factories and Persia attained significant proportions. In 1644, cloth worth 100,000 florins was procured for Persia and it gave a gross profit of 50 %. After a brief slump around 1647, caused mainly by internal troubles, the demand for Coromandel cloth and Bengal sugar revived once more and they rendered a gross profit of 87 % and 250 % respectively in 1649. Gumlac and ivory from Pegu were also in some demand in Persia. In 1651 a total amount of 151,000 florins were invested at Masulipatam and in Bengal for this trade. Freighting of goods and passengers to Persia also proved quite profitable and yielded as much as 13,020 florins in 1652. The very limited demand for the merchandise procurable from Persia constituted a serious difficulty. Silver and silver coins, the main items of return cargo, also rendered a loss of about 27 % on the coast until 1658, when a revival of demand for silver in the Golconda kingdom gave a fresh impetus to the Company's Coromandel-Persia trade. But even when Persian silver sold at a loss in Coromandel, it was considered worthwhile to develop the trade as it provided much-needed

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173 For the trade between Coromandel and Persia, see K.A.760, 13.8.1635, f.488, 13.10.1635, f.577; K.A.764, 4.2.1638, f.55; K.A.765, 11.7.1639, f.411, 24.8.1639, ff.511—12; K.A.768, 9.8.1641, f.326, 28.5.1641, f.178; K.A.770, 20.8.1643, f.590; K.A.1031, 2.7.1636, ff.1108, 1115, 3.5.1636, f.1103vo; K.A. 1034, 25.5.1637, f.675; K.A.1037, 9.5.1638, f.198; K.A.1039, 30.7.1639, f.1093.

cash capital. Besides the silver was at times diverted to Surat, where it sold at a profit.[174]

The Coromandel factories' direct trade with other regions throws some interesting side-lights on the stages of economic development in different parts of Asia and certain features of the inter-Asian trade. The efforts to open trade with areas like Arakan and Maldives proved futile, because their markets for import were practically non-existent and the range and volume of their possible exports were extremely limited. Even by contemporary standards such regions were relatively underdeveloped, in the sense that they provided typical instances of economic self-sufficiency based on a rudimentary level of organization, technique and standard of consumption. Characteristically enough, the one item of export from Arakan which acquired any mentionable magnitude was rice. The fact that a large part of this rice went to Coromandel, fast developing as a big exporter of manufactured commodities, suggests a modern parallel which should not, however, be overstretched. Regions like Coromandel and Bengal had in fact already developed a large and, to a certain extent, varied export trade primarily in manufactured and semi-manufactured commodities, a practically unlimited import market for bullion and a much smaller, but by no means insignificant, one for metals, spices etc. One may describe the economies of such regions as relatively developed in the specific sense that they had attained a high degree of commercialisation, and a certain level of specialisation in productive functions though the base remained primarily agricultural. Half-way between them and areas like Arakan one can perhaps identify a third type: regions like Burma and Persia, — with a limited import market for textiles and some other items and a small volume of export of luxury items, agricultural products and metal, — or Ceylon, with a flourishing export trade in specialised cash crops and animals and an import market for textiles and victuals. This analysis, however, does not imply that lack of commercial development necessarily resulted in a corresponding lack of development in technique, organisation and consumption standard. The relationship was in fact the other way round: commercial backwardness was itself a function of the rudimentary character of the economy. There is evidence to show that such a relationship in the context of seventeenth century Asia was

[174] K.A.774, 27.7.1647, ff.371—72, 374; K.A.777, 11.8.1650, f.294; K.A.1054, 23.12.1644, f.82; K.A.1068 (*vervolg*), 18.5.1649, f.557; K.A.1076, 6.7.1651, f.234; K.A.1086, 8.6.1652, f.473vo, 16.10.1652, f.533vo; K.A.1111, 16.1.1658, f.675vo.

empirically valid, but a detailed analysis of this phenomenon is outside the scope of the present study. Viewed from this angle, the intensification of inter-Asian trade implied a growing interdependence between regions in different stages of economic development, some of which showed definite tendencies towards specialisation in economic activity. The trade of the Dutch in Asia, particularly of their coast factories, was one of the major catalytic agents in this process.

CHAPTER VI

RIVALS IN TRADE

The activities of the Jan Company in Coromandel acquire significance only as a phase in the effort of European merchant capital to engross world trade on the basis of monopolistic and monopsonistic control wherever possible. Even their impact on the indigenous economy can best be understood in this particular context. The seventeenth century merchant capitalists, no believers in free commercial competition, first carefully secured by charter from their own national governments the right to exclusive trade with specified regions for their monopolistic joint stock companies and then tried hard, openly or surreptitiously, to exclude not only all other traders from their own country but similar monopolistic companies of other nations as well, from all share in the trade of the area assigned to themselves. The weapons used in this struggle were as often political or even military as commercial. This was particularly true of Coromandel in the first half of the seventeenth century. The issue of the struggle was however eventually decided by the relative magnitude of capital resources and flexibility of commercial organization. While the struggle lasted, the economy of the coast undoubtedly benefited therefrom in so far as it gave greater bargaining power to the middleman as well as the producer, an advantage that was lost with the establishment of the unquestioned ascendancy of a single buyer in the market.

The Portuguese

The Portuguese settled at San Thomé and Negapatam and active all along the coast were the first rivals that the Dutch encountered in Coromandel. The Coromandel Portuguese were no representatives of any chartered company nor even of the Spanish-Portuguese State. Their hostility to the Dutch derived primarily from a desperate struggle for survival of a sorely pressed trading community in an alien background. Though the mother country had little direct interest in the coast settlements, the latter had benefited from the Portuguese hegemony in the

Asian waters and long enjoyed a position of advantage in Coromandel's overseas trade. Their commercial interests were similar to those of the local merchants in so far as they sought profit from both import and export and, unlike the Dutch, were not primarily concerned with securing commodities for export on advantageous terms. The reason why the Portuguese did not try to co-operate with the Dutch in the same way as the local traders appears to be two-fold. The long-established political enmity was a barrier to any such development and the active instigation of the Spanish state made it even more so. The question of the local Portuguese seeking secure and profitable trade as the Company's middlemen and suppliers hence could not arise. Besides, in the early years of the seventeenth century, the Coromandel Portuguese apparently had a much greater share in the trade with the Indies than was available to the local merchants. The decline of Portugal and the advent of the Dutch threatened this lucrative commerce. The coast Portuguese had to fight the new-comers for the secuirty of their livelihood. Lacking in adequate economic power, they used the weapons of diplomacy, intrigue and adventurist action to thwart the hated rival.

From the earliest days of the Company's contact with the coast, the Portuguese did their best to secure the expulsion of their arch-enemies from the Golconda ports. In Coromandel the Dutch, in fact, had fired the first shot, for the yacht *Delft* on its second voyage to the coast in 1606 had burnt three Portuguese ships anchored off San Thomé. The conflict between the rising power of the Dutch Company and the decadent Portuguese settlements in Coromandel was an unequal one, and by the middle of 1608 the local populations of Masulipatam and Petapuli had been definitely won over to the side of the new-comers. That year the Portuguese captain at Masulipatam was taken prisoner by order of the *mir jumla*, as a reprisal for Portuguese piracy against Muslim ships in the Bay and such misfortunes of their arch-enemy further strengthened the Dutch position in the Golconda kingdom.[175]

In south Coromandel the Portuguese tried to induce the Carnatic king and the Gingi *nayak* to expel the Dutch from Tierepopelier and would have succeeded but for the influence of the 'great Aya'. In 1609 they scored a point over the Dutch, when for 1500 *pardaus* they secured the lease of Tegenapatam and seven villages though the Company had offered double the amount. The ascendancy of their enemies in the

[175] *Begin ende Voortgang,* II, van der Hagen's voyage, p.60; K.A.967, van Wesick to Ysaacx, 26.6.1608.

neighbouring harbour seriously affected the Company's trade at Tierepopelier. But the failure of the Portuguese to carry out their promises to the *nayak* led to their expulsion from Tegenapatam in December, 1609, an incident in which the Dutch had some hand. Still they retained sufficient control over the neighbouring sea-routes to force the Tierepopelier factors to abandon their plans to secure Pulicat cloth by sea.[176]

The Portuguese, having failed in their diplomatic manoeuvres, now decided to launch a direct attack on the newly established factory. On May 29, 1610 some Portuguese ships approached Pulicat but were beaten back by the Dutch who captured two of the ships with all the men on board. At about the same time an encounter near Masulipatam led to the capture of two more Portuguese ships. When three ships from l'Hermite's fleet came to Coromandel in the spring of 1610, rumours about the twelve year's truce with Spain concluded in Europe had already reached the East. But as l'Hermite's instructions were to continue hostilities against San Thomé until more definite news was received, the Dutch captured and burnt a few more Portuguese ships near the coast.[177]

The truce with Spain concluded at Antwerp on April 9, 1609 was to be implemented in the East twelve months later. It enjoined mutual friendship between the subjects of the two states and guaranteed the right "to frequent and remain in the places of either side, and follow out there the trade and commerce in all security." Besides, the Dutch were to be allowed to seek trade "in the places of all other princes, potentates and peoples" without any hindrance from the Portuguese. But shortly before the conclusion of the truce the king of Spain had sent secret instructions to his subjects in India asking them to prevent the Dutch "by all possible means" from securing admission to the ports of the neighbouring kings.[178] As subsequent developments showed, the Coromandel Portuguese were inspired more by the spirit of these secret instructions than by the terms of the truce.

The Portuguese menace assumed dangerous proportions soon after Wemmer van Berchem succeeded Jan van Wesick as the Director of

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[176] K.A.967, Bourgonje to Ysaacx, 6.2.1609, Bourgonje to North Coromandel, 17.6.1609, Bourgonje to van Wesick, 7.4.1609, Bourgonje and Marcelis to North Coromandel, 13.1.1610, Bourgonje to l'Hermite, May 1610; *Koromandel,* p.116; de Jonge, III, pp.345 ff.

[177] K.A.967, Marcelis to Maertssen, 31.5.1610, l'Hermite's 'Memorie', 15.10.1609, Bourgonje and Marcelis to Ysaacx, 3.3.1610, van Wesick to Bantam 15.6.1610.

[178] Dumont, *Corpus Universal Diplomatique,* V, 2, p.99; L.T., I, L.M., Document No.s 86, 122.

the Coromandel factories in 1612.[179] On June 9, 1612, when van Berchem was away on a mission to Golconda, the Portuguese of San Thomé, inspired by their bishop, Dom Frey Sebastião de São Pedro, attacked and destroyed the Pulicat factory, killed three of the Company's men and carried away six, including factor Adolff Thomassen, as prisoners while the rest took shelter in the neighbouring villages. The king of Spain in his letter to the Viceroy of Goa commended the action of the San Thomé Portuguese and emphasized the need to frustrate Dutch efforts to procure Coromandel cloth and thereby undermine their south-east Asian trade. Van Berchem, on his return, opened negotiation with the Bishop and Captain of San Thomé for the release of the Dutch prisoners but it was not until January, 1616 that they were all freed.[180]

The Portuguese, frustrated in their efforts to destroy fort Geldria, now tried to secure the desertion of the Company's men through bribery. But two Dutch sailors who went over to the Portuguese were imprisoned at San Thomé as suspects and this acted as a sufficient warning to potential traitors. Next, the Portuguese induced some of their underlings to take shelter with the Dutch as fugitives with the object of poisoning the Pulicat factors. The conspiracy was, however, discovered in time and two of the enemy agents were hanged. A second attempt of the Portuguese to poison the Dutch factors also ended in failure. In 1613, the San Thomé Portuguese were preparing a fresh attack on Pulicat and a fleet sent from Goa to help them tried to capture the Dutch ship *Star* anchored off Pulicat. But the attack was successfully beaten back and the Portuguese had to withdraw with heavy casualties.[181]

In 1613 the Portuguese also tried to induce Krishnappa Nayak of Gingi to deliver Franco van der Meer, chief factor of Tegenapatam, into their hands. The 'great Aya', won over to their side, began to harass van der Meer and two ships were sent to Tegenapatam to reinforce the threatened factory. Eventually the Aya gave up his hostile intentions on receiving a large present from the Dutch.[182]

By 1614, the tide had definitely turned against the Portuguese on the

[179] K.A.967, Resolution, Bantam Council, 18.5.1611, Statement of Joost Marcellus, 15.12.1612; van Dijk, pp.14, 18.

[180] K.A.968, 30.8.1613, ff.146—46vo, 159vo—160, 165; K.A.969, 16.8.1614, f.127; K.A.973, 29.3.1616, f.174; L.T., I, L.M., Document No.s 326, 424; van Dam, II, ii. p.101; van Dijk, pp.21, 24; Floris, p.67.

[181] K.A.968, 30.8.1613, ff.156, 160 ff; K.A.969, 16.8.1614, f.131vo; 20.2.1614, f.141; van Dijk. pp.30—31, 35—36.

[182] K.A.969, 30.8.613, ff.146vo, 152, 154; K.A.969, 16.8.1614, f.127vo; K.A.971, Hans de Haze, "Concideratie van de Cust etc." f.62; K.A.973, 29.3.1616, f.174.

Coromandel coast. The trade of San Thomé had been on the decline ever since the arrival of the Dutch. Conditions became worse after the establishment of fort Geldria. In the old days, large number of ships came to San Thomé every year from Malacca, Goa, Cochin, Burma and Siam, but few traders arrived there between 1612 and 1614 and in 1615 only one ship came from Malacca. The Dutch were confident that continual cruising by their ships along the coast would eventually achieve the complete ruin of Portuguese trade. Against the persistent hostility of the Dutch their enemies could retaliate but feebly by the occasional capture of some Indian provision-boats on their way to Pulicat. The conquest of San Thomé was now considered a definite possibility and Narpa-raja invited the Dutch to join him in an attack on the Portuguese colony. But this would involve the eventual obligation to settle at San Thomé which the Company with its limited resources was not in a position to undertake, and consequently the Dutch evaded the request.[183]

In the early decades of the century the Portuguese were not merely political enemies but able to compete commercially, though only to a limited extent. The heavy establishment cost of the Dutch Company forced it to seek always a wide margin between their purchase and sale prices, i.e., a high rate of gross profit. This fact was often a source of advantage to competitors who had to spend less on their establishment and could therefore afford both to buy dearer and sell cheaper. The Dutch generally purchased only cloths of specific size and quality which fetched high prices and ensured a wide margin of gross profit. The Portuguese on the other hand bought up all available supplies somewhat indiscriminately, a small margin of gross profit per unit being enough to cover their costs and leave a residue of net profit. In consequence the Company was at times forced to buy poor quality cloth, just to maintain its hold on the buyer's market. Manufacturers and middlemen also complained with truth that the Portuguese paid at higher rates for all products. Unless the Company could meet this challenge, there was a real danger of the Portuguese recapturing the Coromandel cloth trade.[184] In the local seller's market also, Portuguese activities undermined the prospects of the Dutch. Asian and Portuguese ships from Malacca, Achin, Siam, Arakan and Bengal flocked in large num-

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[183] K.A.968, 20.2.1614, f.234; K.A.969, 16.8.1614, ff.128vo, 137; K.A.971, Hans de Haze, "Consideratie van de Cust etc.", f.64; L.T., I., L.M., Document No. 502; K.A.973, 29.3.1616, f.176.

[184] K.A.968, 30.8.1613, f.159; K.A.969, 16.8.1614, f.128vo.

bers to the Portuguese colonies on the coast; the large volume of their imports often adversely affected the demand for the Company's wares and caused sharp decline in prices.[185]

To expel the Company from Pulicat and eventually from Coromandel and thus "deprive the Dutch of the greatest outlay which support them in the south" long remained a cherished object of the Spanish king. The Viceroy of Goa consulted Captain Manuel de Frias who led the attack on Pulicat in 1612 and opened negotiations with a local prince in an attempt to fulfil the king's wishes. In 1620, a *fidalgo* of the king's household was appointed Captain of San Thomé and Captain-General of the Coromandel coast with specific instructions to expel the Dutch. But nothing came out of these grandiose plans and ships deployed for the purpose had to be recalled as they failed to secure provisions from the coast guarded by Dutch cruisers. In 1623, "some gentlemen well-known as persons of worth" were permitted by the Viceroy at their own request to equip ships for cruising against the enemy along the Coromandel coast. But these Portuguese free-booters, powerless against the Dutch, started indiscriminate attacks on Indian shipping and so the permission had to be quickly withdrawn. In 1628—29 the Captain of San Thomé resumed negotiations with a local prince for the capture of Pulicat, but to little purpose. Only in June, 1629 the Portuguese from San Thomé "ventured into Pallicatt Roade and burned a juncke, notwithstanding the Dutch forces." [186]

Frustrated in their designs on Pulicat, the Portuguese started regular crusing in 1616—17 against Indian boats which carried provisions from Orissa to Pulicat, and for a time successfully prevented them from reaching their destination. As a counter-measure, the Dutch deployed some ships to protect Indian shipping sailing to Pulicat and attack those going to the Portuguese settlements. Provision-boats were diverted in large numbers from San Thomé to Pulicat. In consequence, food shortage became so serious at San Thomé that 70 families came over to Pulicat as refugees. The Dutch - Portuguese conflict in Coromandel once more revealed the consequences of India's naval weakness. Indian ships were diverted from established routes and their trade forced to suit the convenience of foreign traders, while the Indians gratefully

[185] K.A.451, *'Remonstratie'* of Franco van der Meer, 12.4.1617, ff.199—200.

[186] L.T., I., Document No. 869, 21.3.1617, Document No. 936, 20.1.1618, L.M., XII, 16.3.1619, f.26, L.M., XIII, 26.3.1620, f.87, L.M., XV, 20.2.1621, f.21, L.M., XVII, 5.1.1623, ff.48 ff, L.M., XIX, Jan. 1624, f.47, L.M., XXI, 16.2.1625, f.59; L.M., XXV, 22.3.1628, f.13; L.T., II, L.M. XXVI, 20.3.1629, f.162; E.F.I., 1624—29, p.343.

accepted the protection of one European nation against the ravages of another. The Dutch organised intensive cruising against Portuguese ships along the entire coast and as far as Point de Galle. Ships sailing to and from Bengal, Orissa, Cochin, Malacca, Manilla and Macao were captured in large numbers. This became a regular source of income for the Company. "It appears," reported the Dutch in 1621, "as if no Portuguese would navigate these quarters any more and that they have yielded the sea-way to us." "At St Thomé they are worne threadbare," commented the English, "besides dare not pepe out att their doores, are growen so generally poore that they have allmost nothing left them att least to oppose such fortunes." The Bishop of San Thomé secretly confessed his fears of "losing the city of Meliapur, both on account of the vicinity of the Dutch and by reason of the weak government". Naval and commercial supremacy in the Bay had definitely passed from Portuguese to Dutch hands by the mid-'twenties. The final extinction of Portuguese power in this region was now only a question of time.[187]

By the 'thirties the power of the Portuguese was definitely in decline throughout Asia and an attack on Negapatam by the *nayak* of Tanjore in 1632 further weakened their position in Coromandel. The regular cruising of the Dutch ships against the Portuguese along the Coromandel and Ceylon coasts yielded a large and steady income. The booty seized from Portuguese ships during 1630—32 was valued at 24,851 florins, while during the same period the Dutch suffered a total loss of 1,260 florins through Portuguese counter-cruising.[188] By 1637 the field of operation was extended to the more distant parts of the Bay in a bid to clear the seas of the Portuguese pirates who infested the Bengal coast. In May, 1640 the Batavia authorities decided that all Indian ships carrying Portuguese wares to Pegu, Achin and other places were to be accosted by Dutch cruisers and forced to surrender the enemy's merchandise.[189] The Orissa coast, which acted as a rice-bowl for Coromandel, was now closed to the Portuguese as none dared navigate there without a Dutch passport. San Thomé and Negapatam suffered from a perpetual shortage of foodstuffs in consequence. Describing San Thomé in 1635, its Bishop lamented, "That city which was formerly one of the

[187] K.A.978, de Haze to Amsterdam, 8.5.1617; K.A. 981, de Haze's instructions to A. Thomasz, 21.7.1619; Coen, VII, pp.232—33, 355—56, 371, 422, 430, 747, VII$_2$, pp.499, 753, 1663; E.F.I., 1622—23, p.102; L.T., I., L.M., XVI, 13.11.1621; *Relations*, p.3.

[188] K.A.1015, 12.7.1631, f.136vo; K.A.1016, 1.12.1632, ff,21vo—22, 23vo; K.A. 1017, 20.10.1632, f.184vo.

[189] K.A.767, 20.5.1640, f.135; K.A.1034, 9.12.1637, f.178.

most opulent in India, has fallen so low that it has but few residents and no capital". The Coromandel Portuguese, who once controlled a large part of the overseas trade of that coast, failed to send abroad a single ship in 1640—41.[190]

Despite their fallen state, however, encouraged by the Viceroy at Goa they continued to intrigue feverishly with the Carnatic king for the capture of the Dutch factories. But fleets sent from Goa for the purpose in 1631 and 1633 had to return disappointed. In 1634 a secret agreement was concluded with the Carnatic king for the joint siege of Pulicat, but the proposed attack was never carried out, and two years later, while Venkata declared to the Portuguese his determination to make war on the Dutch, his emissaries to Pulicat carried reassuring messages of friendship at the very same time. By 1639 the Portuguese lost all hopes of any joint action with the king.[191]

Their position in Coromandel was, however, strengthened to some extent by the Anglo-Portuguese non-agression pact in the East concluded in 1635. Besides in 1638 the Danish captain at Tranquebar offered them not only fort Dansborg but also the services of Danish ships for bringing relief from Malacca, Ceylon and other places. The sale of Dansborg did not take place as the Portuguese had doubts regarding its utility. A good understanding with the Danes was, however, maintained and they undertook to supply the Goa authorities with secret intelligence regarding the movements of the Dutch in Coromandel.[192]

Still, such minor advantages made no basic change in the situation and in 1642 the Dutch, confident of their superiority, planned a lightning attack on San Thomé and Nagapatam with a view to destroying them completely. The Portuguese got wind of these plans and made all possible preparations for defence with the assistance of Goa. But when on April 12, 1642 a Dutch fleet from Ceylon under commanders Blau and Bouwens arrived at Negapatam, the settlement, unable to offer any resistance, was forced to sue for terms as most of the citizens had taken to flight. By an agreement signed on April 13 the Dutch formally took over Negapatam which was described in the document

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[190] L.T., II, L.M., 32, 24.2.1635, f.57, L.M.,45, 30.11.1638, ff.269 ff.

[191] L.T., II, L.M. 27, 14.3.1630, f.22, L.M.29, 20.10.1631, f.197, L.M. 32, 20.1.1635, f.9, 24.2.1635, f.57, L.M. 33, 29.2.1636, f.253, L.M. 37, 2.11.1636, ff.15 ff, L.M 44, 4.3.1639, ff.257 ff; K.A.1031, 2.7.1636, f.1117, 8.10.1636, f.1130; K.A.1036, 22.12.1638, f.172vo.

[192] L.T., II, L.M. 45, 30.11.1638, ff.269 ff, L.M. 48, 3.8.1641, ff.70 ff, 30.11.1643, f.114, C. R. Boxer, "A glimpse of the Goa Archives," *Bulletin of the School of Oriental and African Studies,* XVI/2, p.321.

as a Dutch town'. On April 17 a Portuguese fleet sent from Jaffnapatam to help the threatened colony was defeated by the Dutch in a combat near Negapatam. The Dutch also beat back an attack of general Timappa sent by the *nayak* of Tanjore to punish them for the violation of his territory. But eager to retain the *nayak*'s good-will which was of great importance for its cloth-trade, the Company decided to withdraw from Negapatam and abandoned the project of attacking San Thomé. On April 22 the Dutch left Negapatam with a ransom worth 10,000 *pagodas* and two hostages as security for the payment of another 40,000 *pagodas*. At the same time they assured the Tanjore *nayak* in reply to his angry letters that they had no aggressive intentions against him, but would defend themselves against any attack.[193]

Meanwhile in Europe, following the revolt of Portugal against Spain in 1640, a ten years' truce had been concluded between Holland and Portugal in June, 1641. In October, 1642 Batavia called upon all the Dutch factories in Asia to abide by the terms of the truce, but Negapatam was to be considered outside its scope until the stipulated ransom had been paid.[194]

The circumstances of the attack on Negapatam finally proved the hopeless inability of the Coromandel Portuguese to defend themselves against their rivals. True, their colonies managed to survive for some more decades. But from this time onward they were very much at the mercy of the Dutch. From 1642 to 1652 the Dutch and the Portuguese were officially at peace with each other in the East. But when the Portuguese violated the truce in 1643 by capturing a Dutch boat, two Portuguese boats were seized by way of reprisal. Otherwise things remained peaceful on the surface and the Company abandoned as futile its claims for the balance of the ransom due from Negapatam. The main conflict after 1645 centred round the new factories in Tanjore and Madura which vitally affected Portuguese trade, because the cloth supply from Coilpatam was one of its staples. Their machinations in the nayaks' courts at times adversely affected the Dutch position. But the Company with its superior resources could retaliate by drawing away the weavers and painters of cloth from San Thomé. In 1647 the Portuguese seized one of Mir Jumla's ships which carried

193 K.A.1047, "Verhael etc", ff.425—432, 436vo—439vo, 440vo, 4.10.1642, f.714, Resolutions, 16.4.1642, 17.4.1642, ff.768—69; K.A.1048, 12.12.1642, ff.11—15; L.T., II, L.M. 51, 22.5.1642, ff.118 ff, L.M. 48, 20.12.1643, f.118, 10.12.1643, ff.119 ff.

194 K.A.768, 9.8.1641, f.322; K.A.769, 20.10.1642, ff.708—9; K.A.770, 1.4.1643, f.143.

a Dutch passport, but such violations of the truce were rather exceptional. More often the Portuguese ships helped Indians to evade the restrictions imposed on the latter's trade with Achin and the 'tin areas' by carrying their merchandise to the forbidden places. Yet in view of the weakness of the Coromandel Portuguese such efforts had little more than a nuisance value. In 1649 they made a vigorous attempt to revive their trade, — particularly with Pegu and Macassar, — but to little purpose. In fact so low was their credit that their bills of exchange sent from Golconda were not honoured at Goa. In 1652 the Dutch reported home with contempt that the activities of the Portuguese were hardly worth describing.[195]

In July, 1652 the Coromandel factories learnt that the ten years' truce had ended and that the two nations were once more at war. The Portuguese on the coast, conscious of their weakness, were however reluctant to resume hostilities and protested in vain against the capture of their ships. For some years the hostilities in Coromandel assumed no more serious a form than cruising and counter-cruising along the coast in which the Portuguese fared badly. Meanwhile the *nayak* of Tanjore was persistently urging the Dutch to join him in an attack on Negapatam. Pulicat's suggestion that the Company should undertake this independently was turned down by Batavia in 1657. But the following year Rijcklof van Goens, who had been appointed commissaris for Surat, Persia, Ceylon and Coromandel and was in charge of the operations against the Portuguese in these areas, decided to attack the enemy colonies on the coast.[196]

On July 20, 1658 Jan van der Laan arrived with a fleet before Negapatam and even before van Goens could join him, as had been planned, the colony surrendered to the Dutch on July 23 without any resistance on condition the Portuguese inhabitants were allowed to leave for Goa with all their moveable property. The Tanjore *nayak*, enraged at the prospect of the Dutch securing a foothold in his land, came to the vicinity of Negapatam with a large army, but the Company's firm attitude eventually induced him to withdraw. The intended attack

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[195] K.A.1056, 3.4.1643, f.764vo, 3.10.1643, ff.795 ff; K.A.1060, "Verhael enz.", f.218; K.A.1062 (*vervolg*), 9.6.1646, f.798vo; 2.4.1646, f.807vo, 3.5.1646, f.825vo; K.A.1064 (*vervolg*), 23.3.1647, f.707vo, 27.6.1647, f.756vo; K.A. 1068, (vervolg), 27.2.1649, f.494, 10.2.1649, f.530, 27.7.1649, f.571; K.A. 1074, 24.1.1652, f.17.

[196] K.A.779, 21.5.1652, f.283; K.A.784, 12.4.1657, f.129; K.A.1086, 14.7.1652, ff.495 ff, 16.10.1652, ff.526, 529; K.A. 1093, 10.2.1654, f.425; K.A.1110, 17.12.1657, f.44vo.

on San Thomé was however not carried out as Krishnappa, — now one of Mir Jumla's generals, — had taken the colony under his protection. The Batavia authorities were at first inclined to abandon Negapatam as being unprofitable, but subsequently changed their mind at the instance of van Goens, who pointed out the possibilities of the place as a 'provision store' for Ceylon and Batavia.[197]

Not satisfied with the capture of Negapatam, Laurens Pit and Rijcklof van Goens secretly came to an understanding in 1661 to conquer San Thomé before the peace with Portugal was concluded in Europe. But the news somehow leaked out and San Thomé was taken under the protection of the Golconda king, who sternly warned the Dutch against any attack on his protégés. The Company, therefore, had to change its tactics and after some negotiation Qutb Shah agreed to expel the Portuguese from San Thomé and permit the Dutch to establish a factory there. Accordingly in April, 1662 General Neknam Khan laid siege to the town, while the Dutch on their own initiative sent three ships to blockade the sea-passage so that the Portuguese were forced to surrender on 1 May, 1662. But the Golconda authorities ignored the assistance given by the Dutch and the only advantage which the latter derived from the whole business was the final expulsion of the Portuguese from the coast as a political power. Later when Golconda got into trouble with the Goa authorities over the question of San Thomé and Qutb Shah's ships were attacked in the Arabian Sea, the Company's help was sought on the false plea that the Portuguese settlement had been conquered really for the sake of the Dutch. The Company evaded such requests and decided not to open a factory at San Thomé. By 1667 the Portuguese definitely gave up all ideas of recapturing the town. Most of the old settlers now took shelter at Madras or Porto Novo and from there carried on a certain amount of trade, mainly with Sumatra and Siam. But its volume was not large enough to cause any serious worry to the Company. By the middle 'sixties, the Portuguese had ceased to be a factor in Coromandel trade so far as the Dutch were concerned.[198]

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[197] K.A.1110, 19.11.1657, f.679vo; K.A.1115, 14.12.1658, ff.104vo, 114 ff; K.A. 1117, 18.7.1658, f.46, 31.7.1658, f.69; van Dam, II, ii. p.107 ff; J. Aalbers, *Rijcklof van Goens*, pp.168—70.

[198] K.A.1124, 22.12.1661, ff.104 ff, 15.9.1661, f.130vo; K.A.1128, 26.12.1662, ff.204 ff; K.A.1133, 2.7.1663, ff.1082 ff; K.A.1136, 4.8.1664, f265; K.A.1147, 31.8.1666, f.695, 15.11.1666, f.660; K.A.1152, 24.6.1657, f.592vo.

The English

While the Dutch-Portuguese relations on the coast were more overtly hostile, the competition with the English East India Company implied a far more serious threat to the Jan Company's commercial interests. The real and potential capital resources of the English Company, the support of the buoyant English nation-state, use of techniques similar to those of the Dutch for the establishment of exclusive control on the market were all factors full of ominous significance for the future of the Dutch on the coast and indeed throughout Asia.

As early as 1611 the English East India Company had established a factory at Masulipatam and, a little later, also opened trade at Petapuli. In June, 1613 an English ship, the *Globe*, visited Pulicat in the quest of trade but had to leave disappointed as van Berchem reminded the local authorities of the exclusive trading rights already granted to the Dutch. In other places the Dutch tried to buy up all available cargo as far as practicable before the arrival of the English ships, but were often hindered in this effort by the inadequacy of their capital resources. The order of the States General, however, required them to follow a friendly policy and not to obstruct in any way the trade of the English. Van Berchem promised to abide by this order though he would have preferred to oppose the establishment of any further English factories in Coromandel, for otherwise, in his opinion, "the English would shear the sheep and we, the Dutch, the pigs." [199] The conflict between state policy and local commercial interests, a familiar and determining influence in the history of European trade with Asia in the 17th century, thus became evident even in the initial stage of the Jan Company's activities in Coromandel.

However, despite van Berchem's gloomy prognostications, the English for a long time were in a position of comparative disadvantage. Their capital resources were still much smaller than those of the Dutch. They had little control over the supply of spices which alone could make up to some extent for the shortage of cash specie in Coromandel. They were thus in no position yet to compete effectively with the Dutch. Indeed, in 1617—18, the English were in despair over the trade prospects in Coromandel which the Court of Directors considered "distasted as unprofitable". Yet at times the Dutch felt rather badly the pressure of English competition. The rivalry of the two Companies forced up the price of indigo at Masulipatam and gave the Indian

[199] K.A.968, 30.8.1613, ff.158vo, 163; K.A.969, 16.8.1614, ff.130, 130vo, 133; Floris, pp.10—12.

cultivators and middlemen a superior bargaining position until an agreement between the English and the Dutch altered the situation. When in November, 1617 the Dutch declared war on the English in the Moluccas, Banda and Amboina, the Company followed a policy of cautious vigilance on the coast, and there were no actual hostilities. In fact the Coromandel factors with their hands sufficiently full with the Portuguese would have preferred more friendly relations with the English.[200] Their earlier eagerness to expel the English at gun-point checked by a contrary state policy had given place to a willingness to co-exist at a time when the two nations were at war. The conflict between state policy and local commercial interest persisted, though the circumstances had changed radically. The State's control, in varying degrees, over the commercial policies of chartered companies in distant lands, a familiar feature of the Mercantilist era, hampered in this instance the adoption of measures which might have proved most sound economically. The Dutch Company, conscious of the power of their rivals, was evidently seeking the establishment of a limited dual control on the buyer's market which would have eminently served their ultimate purpose of reducing the bargaining power of local suppliers and eliminated the effects of powerful competition.

The manner in which co-operation with the English was eventually forced on them was something they had neither expected nor desired. In June, 1619 a 'Treaty of Defence' terminated the Anglo-Dutch war and inaugurated a partial partnership between the two companies. Among other things, the Companies were to share the trade of Pulicat as also the expenses of Fort Geldria. A detailed agreement to regulate the Pulicat trade and joint management of the fort was drawn up at Batavia in April, 1621 and on June 9, 1621 the English came to the southern port, abandoning their Petapuli factory in order to reduce expenses.[201]

This was an arrangement foredoomed to failure. The employees of the Dutch company in the East, whatever the attitude of their masters, were not ready to give away entirely through a partnership the definite advantage they had over their rivals. Coen, who seldom minced matters,

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200 C.S.P., 1617—21, pp.58, 182; Let. Rec., VI, pp.49, 207; E.F.I., 1618—21, p.17; Coen, I, pp.515 ff, VII, pp.94, 230—31, 356; K.A.977, Resolution, Masulipatam, 16.1.1617, 'Memorie' of Raphael Olyva, f.90; K.A.978,, A. Thomasz to Amsterdam, 8.5.1617.

201 E.F.I., 1618—21, pp.xlii—xliii, 253; Coen, IV, pp.38, 423 ff, 426, 684; K.A.249, f.500.

enquired if their Honours in Amsterdam had been lacking in good counsel. To his mind, friendship with the English was an impossibility; for it would mean that the Dutch "would have to quit not only the Indies, but the world".

In tune with this spirit, he instructed the Coromandel factors not to trust the English in anything, zealously to guard the rights and prerogatives of the Company and carefully preserve the secrets of the cloth trade. It is to be noted, however, that the Coromandel factories at this stage were not in full sympathy with Coen's extreme attitudes inspired by his ambition to establish a vast and exclusive colonial empire. Centralisation of control over local commercial policy, with two often warring centres of authority at Amsterdam and Batavia, frequently frustrated attempts to adopt rational economic measures and was in fact one of the basic weaknesses of the Dutch East India Company.[202]

The English in the East also felt that this co-operation with a powerful rival would only mean numerous encumbrances and surrender of legitimate rights. As early as March, 1622 the English Council at Batavia reported to London that the partnership with the Dutch in Coromandel was working very badly and asked the home authorities to "consider whether to be free from them may not be more beneficial for your trade than to live under their subjection and take their leavings." The English, with a much smaller capital at their disposal, found it impossible to trade on a basis of equality with the Dutch. With a larger seller's market under their control, the latter could also afford to buy up much larger quantities of return cargo. Besides, they refused to undertake joint investments and rejected the plea that purchases should be shared equally, insisting that each Company would get a share of the return cargo proportionate to their respective capitals. The English were, of course, free to invest independently. But with their limited knowledge of local markets they hesitated to do so. At times, the Dutch bought up all the available supplies, including those for which the English had advanced money. The heavy expenses of Fort Geldria were also a serious strain on the slender resources of the English and, in their opinion, disproportionate to the benefits derived. A conference to settle the differences and a complaint to Batavia led to the redress of some minor grievances. But such tinkerings were of little help in an unworkable partnership of two companies with vast differences in resources. For "no concessions... could make up for the want

[202] Coen, I, pp.543 ff, 735, III, p.75.

of an adequate supply of capital". A joint control with no qualifications was obviously unworkable under the circumstances.

The 'massacre of Amboina' and the subsequent withdrawal of the English from the Moluccas, Siam and elsewhere practically closed for the English many markets for Coromandel cloth in South East Asia. The authorities in London were now inclined to listen to their subordinates' plea for the termination of the Anglo-Dutch partnership in Coromandel and on July 1, 1623 the English withdrew from Pulicat.[203]

The policy now recommended by Batavia to Coromandel was to leave the English in peace "so long as they do not first give trouble". But in matters of trade the Dutch tried to oust the English from the Coromandel spice market by undercutting prices. Only the price of pepper was kept high enough to prevent the English from buying up supplies for Europe. English attempts to open a new factory in south Coromandel, at Pondicherry, were foiled through the influence of the Company's middleman, Malaya. But at Armagon the English succeeded in securing the right to establish a factory, to the exclusion of their rivals, despite Dutch machinations.

Armagon soon threatened to grow into a serious rival of Pulicat and the English efforts to draw away the textile manufacturers from the latter place were successful to some extent. But through shortage of capital they failed to provide adequate employment for the textile workers thus lured away. The weavers of Armagon had to secure permission from their *nayak* to work for the Dutch in order to maintain themselves. In 1629 there was a serious danger of armed conflict between the two nations when the English forced provision boats sailing from Orissa to Pulicat to go to Armagon instead. This was stopped only when the Dutch offered the Indian boats the protection of their armed frigates.[204] The same year the Dutch and the English were forced to co-operate at Masulipatam in the face of a common danger. But such an alliance, forced by exigencies of circumstance, was essentially temporary.

In the 'twenties of the seventeenth century the Dutch enjoyed a position of distinct advantage over their European rivals in Coromandel.

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[203] C.S.P. 1622—24, pp.3 ff, 25; E.F.I., 1622—23, pp.xxxvii, 47, 55 ff, 63, 83 ff, 102, 119 ff, 126 ff, 141, 146, 338; Coen, III, pp.187, 323 ff, 859 ff.

[204] E.F.I., 1622—23, p.105, 1624—29, pp.xliii, xlviii, 128, 130, 131, 133 ff, 358; K.A.754, 26.3.1624, f.40, 25.6.1624, f.74vo; K.A.994, Ysbrantsz to Amsterdam, 12.10.1624; K.A.1000, 28.10.1626, ff.147vo ff.

The power of the Portuguese was on the wane and that of the Danes was insignificant. The English with their limited resources and comparative inexperience were still lagging far behind. The Dutch had arrived on the scene a few years earlier and, profiting by this fact, now jealously guarded their trade secrets. For decades to come, they were destined to maintain this position of ascendancy and effectively replace the Portuguese as pedlars of Coromandel ware in the markets of Asia, only on a much larger scale. But already the English had given enough evidence of their potential strength and once the problem of capital supply was solved, they would be more or less on an equal footing with the Dutch. For though the latter long continued to dominate the trade of East and South East Asia, the markets of Europe were equally open to both.

Officially, the relationship between the two companies continued to be friendly, but there was a strong undercurrent of hostility, specially after the conclusion of the Anglo-Portuguese treaty of 1635. The Dutch suspected that the English were plotting against them with the Portuguese and had a hand in their troubles with the *sar-i-khail.*[205] In 1633, the English began forcibly to divert the Orissa provision-boats to Armagon away from their usual destination, Pulicat. This affected the food prices at Pulicat and there was a general exodus of cloth manufacturers to Armagon where living was now cheaper. Eventually the Dutch had to deploy a cruiser to escort the provision-boats to Pulicat and by 1636, "the vexations from the ... English near Armagon had ceased as they realised that our people the Dutch had resolved to withstand force with force.[206] The Dutch efforts to prevent collusion between the English and the Portuguese were in fact more aggressive. In 1639 the Portuguese owners of a yacht carrying English flag, which had taken shelter in Armagon, were forced to abandon the boat so closely did the Dutch pursue and watch it. The same year an English ship was accosted off the coast in the belief that it belonged to the Portuguese.[207]

But the techniques adopted by the Dutch in their rivalry with the English were mainly commercial rather than political or military in nature, and centred in efforts to prevent their competitors from pro-

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[205] K.A.1029, 19.6.1635, f.664vo; K.A.1028, 4.1.1636, f.44;K.A.1031, 28.12.1636, f.37, 3.5.1636, f.1105; K.A.1039, 28.12.1639, f.11; D.R., 1640—41, pp.89, 185; E.F.I., 1637—41, pp.xxxvii—xliii, 156, 266.

[206] K.A.1019, 15.8.1633, ff.21vo—22; K.A.1038, 4.1.1636, f.44.

[207] K.A.1039, 28.12.1639, f.11, 23.5.1639, ff.1081, 1094.

curing Coromandel cloth with a view to undermining their spice trade.

At Amboina, the chief source for the supply of cloves, the Dutch could exercise a monopsonistic control to the exclusion of other European nations, but were powerless to prevent the trade of Asian traders from Malay and Macassar, from whom the English and the Danes in their turn procured their supplies in exchange of coast cloth. So the Dutch tried to buy up in Coromandel all varieties of cloth which might be required by their rivals for Malay and Macassar and to under-cut the prices of all commodities which the latter offered for sale on the coast. Still when the English had adequate capital — which, however, was not a frequent occurence at this stage — they, like the Asian merchants, would purchase cloth somewhat indiscriminately in order to capture the market and prices went up in consequence, to the great inconvenience of the Dutch. At times, the Company used its political influence to exclude its competitors from the cloth market and for quite some time the Pulicat region, which was farmed out to Malaya's relaions, was out of bounds to the English, whose contract with the Conjiveram weavers for procuring cloth was also undermined through Dutch intrigues. Lack of capital hampered all English efforts to counteract such hostile manoeuvrings and in 1640, — the year in which the Madras factory was established by the English, — the Coromandel factors, while fully aware that English trade might seriously affect their position in future, confidently reported to Batavia that they had litle to fear until their rivals had more capital.[208]

The danger of increasing English investments on the coast took quite some time to materialise. Meanwhile the superior resources of the Dutch frustrated all efforts of the English Company to extend its trade southwards and were often a serious hindrance to the procuring of return cargo. The English, depending chiefly on the supply of merchandise from Europe, could hardly hope to compete with a nation which controlled the trade of East and South East Asia and could thus procure the commodities in demand on the coast. The Dutch thus had the advantage of an additional means besides liquid capital for procuring the return cargo. Still, with supplies of capital from England and Bantam, the English factories in Coromandel did their best to maintain a hold on the market and enjoyed a short-lived advantage in north

[208] K.A.1018, 7.12.1633, f.5vo; K.A.1019, 15.8.1633, ff.18vo—20; K.A.1028, 4.1.1636, ff.43vo—44; K.A.1034, 9.12.1636, f.625, 1.3.1637, f.664vo; K.A. 1036, 3.3.1640, f.430; K.A.1042, 30.5.1640, f.461vo; K.A.1043, 8.1.1641, f.24; K.A.1047, "Verhael etc." f.445; E.F.I., 1634—36, p.220.

Carnatic during the Company's troubles with Chinanna in 1645. During 1649 to 1652, the Dutch records report an improvement in the state of English trade on the coast, but as the English themselves recognised, it was "of small consequence in respect of the Dutches vast traffique in these parts." [209]

The position of the English in Coromandel deteriorated considerably after 1652, despite the fact that for a time they enjoyed a certain advantage over the Dutch, thanks to their friendly relations with Mir Jumla. In 1653—54, all English factories on the coast excepting Masulipatam and St. George were abandoned as being unprofitable. Early in 1653 the news of the Anglo-Dutch War in Europe reached Coromandel and though no actual hostilities took place on the east coast, the English ships practically stopped sailing for fear of the Dutch until peace was once more established in November, 1654. During 1657—58, the English Company's troubles with Mir Jumla, which led to actual attacks on Madras, further helped the Dutch to maintain their ascendancy.[210]

In the 'sixties, for the first time, the activities of the English became a serious threat to the Company's Coromandel trade. By 1660, English investments in the imported varieities of cloth were large enough, not merely to cause a rise in prices, but to induce the Company's own middlemen to supply the English with cloth which they had already contracted to supply the Dutch. English agents now went far inland to procure cloth and in consequence the Company's supplies for Persia fell far short of the required quantity. The sale of coast cloth in Malacca and adjacent regions was seriously affected as supplies brought by the English to Achin eventually reached Johor and other places and caused a glut in the market. For several months in 1661 not a bale of Coromandel cloth could be sold in Malacca and only 30 bales were therefore ordered for the following year. In the 'seventies, the impact of English competition was felt in the cloth trade in Java as well. The demand for the Company's wares on the coast also varied with the volume of supplies brought by the English. Further, the lucrative freight trade between Coromandel and Persia suffered a decline as the English,

[209] K.A.1055, 20.2.1645, ff.7vo—8; K.A.1060, "Verhael enz.", ff.181vo, 194; K.A.1066, 18.1.1649, f.88vo; K.A.1068, 31.12.1649, 59vo; K.A.1080, 24.12.1652, f.56; E.F.I., 1641—45, pp.154, 288 ff, 1651—54, p.22.

[210] K.A.780, 1.6.1653, f.160; K.A.782, 16.4.1655, f.133; K.A.1091, 5.2.1653, ff.260 ff, 28.3.1653, ff.297 ff; K.A.1100, 24.12.1655, ff.85 ff; E.F.I., 1651—54, pp.xxx ff; *Mir Jumla*, pp.143 ff.

unlike the Dutch, now agreed to accept payment at the end of the voyage.[211]

Anglo-Dutch rivalry in Coromandel was not confined to the sphere of commerce in this period. In August, 1665 Batavia communicated to the coast factors the news of the outbreak or war with England with instructions to do all possible damage to the enemy. But three yachts sent from Pulicat under Peter de Lange to capture the English ships, anchored off Madras, merely succeeded in seizing near Masulipatam a small ship belonging to an English private trader. This action was taken by the Golconda authorities as an unlawful violation of the peace of the harbour and temporarily involved the Dutch in serious difficulties. But Batavia was inclined to ignore the warnings of Indian powers against hostilities in their harbours or near ther coasts. Accordingly, in June, 1666 the Dutch ships posted near Madras to keep watch on enemy shipping pursued an English ship, the *Constantinople Merchant*, to the harbour of Masulipatam with the intention of capturing it. As the Masulipatam factors feared an attack on the Dutch factory by the numerically superior English garrison, Pulicat decided to postpone any decisive action until further orders from Batavia. But the officers responsible for this decision were subsequently summoned to Batavia to answer charges of disobeying instructions. This measure was partly meant to impress the Golconda authorities with the seriousness of the Company's intentions against the English, and the accused were eventually acquitted. In 1668, instructions received from Holland again enjoined that enemy shipping should be attacked in neutral harbours, but much to the relief of the Coromandel factors the news of peace with England came soon afterwards.[212]

Late in 1672, Coromandel was informed by Batavia of the renewal of war with England and in September, 1673 a naval engagement took place south of Masulipatam between a Dutch fleet of four ships, under Admiral Cornelis van Quaelbergh, and an English fleet of ten. It ended in a decisive victory for the Dutch with the capture of three English ships. Emboldened by this success, the Coromandel factors now fully approved of Batavia's recommendation that in time of war no heed

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211 K.A.799, 14.4.1672, f.244, 15.7.1672, f.536; K.A.1122, 19.1.1661, f.418vo, 16.12.1660, f.432; K.A.1124, 24.1.1662, f.170vo; K.A.1128, 26.12.1662, ff.204 ff; K.A.1156, 22.1.1669, f.487.

212 K.A.793, 3.11.1666, ff.653—54; K.A.1142, 6.11.1665, ff.1407, 1413 ff, 15.11.1666, f.659vo, 31.8.1666, ff.692 ff; K.A.1156, 19.12.1668, ff.261 ff; 7.11.1668, f.500vo; E.F.I., 1665—67, ff.241 ff., 250.

should be paid to Golconda's prohibition of hostilities in her waters. But no further hostilities with the English took place before the termination of the war in 1674.[213]

By the late 'seventies the situation had definitely changed in favour of the English. The Dutch, now inadequately supplied with capital, had to depend on credit for a large part of their business. The English on the other hand were supported by increasing supplies of capital from home and could afford to make large purchases for Europe. In 1678, for instance, the capital imported by the English, as estimated by the Company, amounted to 3,000,000 florins besides 600,000 imported by the private traders; the capital supplied to the Dutch factories for the same year was probably around 2½ million florins. By now, the Dutch openly admitted that the ascendancy in the Coromandel trade had passed to the English. The situation had two particular implications for the Company. First, they could no longer procure from Coromandel cloth of the right quality in adequate quantity and warnings to the middlemen prohibiting the supply of cloth to the English directly or indirectly was of no avail. The Masulipatam market was now fully under English control, while the Company was heavily in debt there. A second consequence of the English ascendancy on the coast was that the Dutch were also ousted from the market for Coromandel cloth in Europe. The English procured new varieties of patterned piece-goods in accordance with samples sent from Europe. Dutch efforts to follow their example were handicapped by inadequacy of capital. Samples of guinea cloth purchased by the English on the coast were sent to Holland in 1681 to see if they would secure enough profits. But the profits fetched by this item, — 35 % on the unbleached and 63 % on the bleached varieties, -- were considered inadequate, and it was decided to stick to the usual purchases which gave more profit. Later, in 1683, the policy was modified to some extent and the purchase of the comparatively less profitable varieties authorised, in order not to cede the European market entirely to the English. The English private traders and interlopers, particularly the latter, satisfied with even lower rates of gross profit per unit than the English Company, were considered the most dangerous competitors of the Dutch. As a net result of this increased capital investment by their rivals, the Dutch entirely lost their control over the Coromandel market. The abandonment of Bantam

[213] K.A.799, 3.11.1672, f.901; K.A.1181, 30.9.1673, ff.523 ff, 13.10.1673, f.547; K.A.1182, "sschriftelijk rapport etc." ff.140 ff; K.A.1187, 22.11.1674, f.204; Love, *Vestiges of Old Madras,* I, ff. 358 ff; E.F.I., New Series, II, pp.ix, 70.

by the English and their war with the Mughals in 1689—90 roused false hopes in the minds of the Dutch. But the English had never been primarily dependent on the South-East Asian trade and no temporary calamity could effectively destroy their ascendancy based on the solid foundation of a large capital supply.[214]

The change in the position of the Company *vis-à-vis* the English was not the result of any basic alteration in the economic situation or the pattern of trade. Formerly, the Dutch with their larger capital and their command over the Souh-East Asian market had an advantage over their rivals. Their chief weakness then, as later, was the heavy burden of administrative and military expenses which forced them to trade exclusively for a high margin of gross profit per unit. So long as they controlled the Coromandel cloth market by virtue of superior capital resources this weakness was not a very great handicap, for they could afford to bind up the manufacturers and middlemen and make them procure the required commodities strictly according to specification. They lost their position of advantage when their chief rivals, the English, surpassed them in the volume of capital import. The inadequacy of capital created a vicious circle.[215] It prevented the Dutch from procuring cloth at profitable rates and this in its turn undermined the profits in Europe and Asian markets though this was by no means the only reason for the shortage of capital. As a net result, the English

[214] K.A.458, the Seventeen to Batavia, 19.5.1679, 21.10.1676; K.A.812, 14.8.1683, ff.1216 ff; K.A.1220, 21.12.1678, ff.67vo, 69, 13.2.1679, f.295; K.A.1242, 29.4.1681, ff.302 ff; K.A.1222, 10.11.1678, f.547vo; K.A.1271, 31.12.1683, f.183; K.A.1346, 30.12.1689, f.319; Master, I, p.297.

[215] The following data regarding the value (in florins) of the capital supplied to Coromandel from various regions douring 1675—'90 are taken from the "Generale Missiven".

Year	*Batavia*	*Far East*	*Malacca*	*Persia*	*Ceylon*	*Pegu*	*Total*
1675	1,435,807	—	—	—	—	—	—
1676	661,049	—	786,141	160,879	—	239,402	—
1677	420,815	—	150,000	—	—	35,723	—
1678	1,289,510	—	ça 900,000	—	—	—	—
1679	1,104,495	—	—	—	222,518	—	—
1680	702,585	—	1,052,397	—	161,254	—	ça 2,500,000
1683	1,937,624	309,154	—	—	268,595	—	2,978,035
1684	617,321	—	583,371	—	100,384	—	—
1685	331,163	—	—	—	11,694	—	—
1686	1,281,401	—	—	—	—	—	—
1687	321,626	—	850,114	—	—	—	—
1688	1,163,717	—	—	—	—	—	—
1689	543,382	—	—	—	—	—	—
1690	992,377	—	176,857	—	—	—	—

captured both the buyer's market in Coromandel and the seller's market in Europe by virtue of their larger capital. The fact that the Dutch still enjoyed a position of advantage in South-East Asia — especially after the English left Bantam — made little difference to the situation. The English had found in Europe an alternative market for Coromandel cloth which was potentially much bigger than the South-East Asian market; and so long as they could provide enough capital, they could control the source of supply. In the economy of the region, the commerce of the English replaced that of the Dutch as the most decisive external influence.

The Danes

While the trade of the English and, to a lesser extent, that of the Portuguese, were serious problems for the Dutch, the activities of the Danes on the coast were no more than a minor irritant. Still, when Roelant Crape of the Danish East India Company secured the cession of Tranquebar port from the *nayak* of Tanjore in 1620 and built their fort, Dansborg, the Dutch could do little to prevent it. By 1625, the Danes secured freedom of trade at Masulipatam, took Pondicherry in lease and established a factory at Pipli in Bengal. It appeared, commented governor Ysbrantsz, "as if they wanted to buy up the whole world".

With little capital and less support from home, the Danes, as competitors of the Dutch, had only a nuisance value. Still their offer of high prices for saltpetre, indigo and Coromandel pepper pushed up the prices of these commodities, while their intrigues often caused serious hindrance to Dutch trade. Having a smaller burden of expenses to bear, they also sold Coromandel cloth at comparatively cheap rates in Sumatra and Celebes and thus spoilt the market for the Company. They were friendly to the Portuguese and carried on their ships Portuguese cargo from Bengal to Coromandel, which the Dutch cruisers were powerless to prevent. But shortage of capital and troubles with the Masulipatam governor and the *nayak* of Tanjore soon forced them to assume a humbler attitude. In 1628, they sold their stocks of indigo and saltpetre to the Dutch and in 1629 Crape actually offered to sell Dansborg to the Company. Though Ysbrantsz had been in favour of securing the fort, Coen turned down the offer as he considered any more establishments unnecessary in Coromandel.[216] This proposal was considered from time to time until it was finally dropped in 1659 to avoid any further addition to the Company's burdens.[217]

By 1629 the affairs of the Danish Company were in such a sad state that they leased out fort Dansborg to Malaya who administered it apparently until his death with the help of a few soldiers supplied by the Dutch.[218] But the Danes continued to import cloves, sandal wood, *radix china*, tortoise shell, sugar and silk stuffs from Macassar and

[216] E.F.I., 1618—21, p.xlv; van Dam, II, ii, p.118; Coen, V, pp.383, 581 ff., VII, pp.1218, 1334 ff, 1443, 1511; D.R., 1624—29, p.134; K.A.994, Ysbrantsz to Amsterdam, 12.10.1624; K.A.996, Ysbrantsz to Amsterdam, 28.4.1625; K.A.998, 3.2.1626, ff.2vo, 4; K.A.999, Ysbrantsz to Batavia, 5.12.1625, same to Amsterdam, 8.3.1626.

[217] K.A.1119, 16.12.1659, f.46.

[218] K.A.1012, 25.1.1630, f.68vo.

bartered these for Coromandel cloth, and also traded coast tobacco for Bengal sugar which was then exported to Persia. Their import of cloves did adversely affect the price of the commodity in Coromandel and the Dutch had to under-cut prices in order to retain their hold on the market.[219] The secret Danish - Portuguese entente was a source of still greater embarrassment. The Danish ships brought to Masulipatam a steady stream of Portuguese emigrants from Bengal and Macassar and the practice stopped only after severe threats from the Dutch.[220] In 1641, the Danes, reduced once more to a precarious position, renewed their periodical overtures for the transfer of fort Dansborg to the Dutch. The Company entered into these negotiations with great caution and was guided by Batavia's recently formulated *obiter* which required all intercourse with the rival nations to be reduced to a minimum.[221]

The activities of the Danes in Coromandel, by the middle 'forties, ceased to have even a nuisance value so far as the Dutch were concerned. With little support from home and an irregular trade with Java and Macassar which hardly covered the expenses involved, the Danes were once more forced to resume their interminable negotiations for the transfer of Dansborg to the Dutch. The authorities both at Batavia and in Amsterdam were now seriously interested in the deal, particularly after the Muslim conquest of the northern Carnatic, because they wanted some place to fall back on in case the Golconda government prohibited the Company from holding forts in their territory. But the Danes, still expecting the arrival of adequate capital from Europe, failed to come to a decision and after the capture of Negapatam the Company also lost its interest in Dansborg.

The relations between the two nations on the coast in the 'fifties were, however, closer than ever before. To the great chagrin of the Portuguese, the Karikal factors were allowed to reside in Dansborg in 1653 as a precautionary measure. Arrangements for the delivery of Karikal cloth to Tranquebar, for which 1 % duty was paid to the Danes, worked very satisfactorily and the Company employed twelve soldiers for the protection of the Danish fort. In 1657, there was a temporary hitch owing to the seizure of a Danish boat by the Company, but eventually the Dutch decided to return the boat and maintain their

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[219] K.A.1023, 27.12.1634, f.96vo; K.A.1036, 22.12.1638, f.178vo; K.A.1042, 2.11.1639, ff.421—421vo

[220] K.A.1036, 22.12.1638, f.95vo; K.A.1039, 18.12.1639, f.81, 8.10.1638, ff.992—93, 20.6.1639, ff.1082—83, 30.7.1639, f.1092.

[221] K.A.1044, 12.12.1641, f.78; K.A.768, 3.4.1641, f.77.

garrison at Dansborg, lest the fort might be taken over by the English.[222] The trade of the Danes was evidently allowed to survive on sufferance and this was a small price to pay for a political and military alliance against powerful enemies.

By the 'sixties, the trade of the Danes was altogether moribund though with occasional assistance from Europe they continued to send their ships to Macassar and Japara, and later to Bantam and Manilla as well. In 1659, Laurens Pit wanted to withdraw the Company's soldiers from Dansborg, but eventually allowed the Danes to retain a small Dutch garrison provided they paid for its upkeep. At times, as in 1673, their supplies of painted cloth affected the prices at Bantam, while their import of copper to Coromandel caused a glut in the market. In the main, however, Danish trade counted for little.[223]

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[222] K.A.456, 16.4.1658, f.27, 5.9.1658, f.211; K.A.782, 21.7.1654, f.279; K.A. 1056, 3.6.1643, f.769; K.A.1062, (vervolg) 28.2.1646, f.804; K.A.1068, 31.12.1649, f.60; K.A.1074, 24.1.1652, f.17; K.A.1087, 19.1.1654, f.238; K.A.1093, 26.1.1655, f.102; K.A.1100, 24.12.1655, ff.81 ff; K.A.1110, 17.12.1657, f.43

[223] K.A.796, 24.4.1669, f.337; K.A.800, 27.3.1673, f.312; K.A.1120, 16.1.1660, f.17vo; K.A.1122, 14.8.1660, ff.384 ff.

The French

It was the cherished object of Dutch policy to exclude, so far as practicable, all other European nations from a share in the Coromandel trade. Early French efforts to open trade with this region were frustrated mainly as a result of this policy. In June, 1617 the ship *St. Michel*, belonging to *La Compagnie des Moluques*, organised by the merchants of Dieppe, Rouen and St. Malo, anchored off Pondicherry and wrote to the Dutch at Tierepopelier enquiring about trade prospects. The French received only a hostile reply and their attempt to secure trading rights in Gingi were foiled through Dutch machinations. But they did eventually succeed in opening trade with Pondicherry. As Pondicherry produced no cloth and the Dutch prevented supplies from Tierepopelier, the French were however soon forced to leave Coromandel. In 1621, a Frenchman sent by Beaulieu, the commander of a French fleet which had sailed from Honfleur, tried to secure trading rights at Masulipatam and failed, apparently owing to Dutch intrigues.[224]

Nearly five decades later, in 1670, the French East India Company appeared on the coast and made its début at Masulipatam. The Company did not have much to fear from the French as commercial competitors though the latter secured the right to duty-free rade in the Golconda kingdom. But the repercussions on the coast of the Franco-Dutch wars in Europe constituted a threat to the Coromandel factories and the Company's shipping. When in July, 1672 the French forcibly seized the town of San Thomé from the Golconda authorities and Golconda forces laid seige to the town, the Dutch felt seriously concerned about their future security, and their fears were aggravated by the French attack on the Masulipatam harbour.[225] Following two decisive defeats in February and March, 1673 the Golconda army practically abandoned their seige of San Thomé and withdrew to a safe distance. But for the intervention of the Dutch, the San Thomé episode would have ended in a decisive victory for the French.

In June, 1673 Rijcklof van Goens, appointed Admiral and Superintendent for the war against the French both on the east and the west coast of India, arrived before San Thomé with his fleet from

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[224] Coen, II, pp.201, 298, 338; K.A.978, Lefebvre to Amsterdam, 24.9.1617, S. Luys to Symon Joosten, 17.6.1617, 19.7.1617, Symon Joosten to de Haze, 3.8.1617; Kaeppelin, p.2; Sen, *The French in India,* p.5.

[225] K.A.1159, 31.1.1670, f.432vo; K.A.1164, 29.9.1670, f.608; K.A.1169, 19.12.1671, f.180; K.A.1175, 19.11.1672, f.396.

Ceylon and induced the Golconda authorities to resume the siege while the Dutch blockaded all outlets to the sea. The French Viceroy, de la Haye, who had gone south with some of his ships, tried to run the blockade without success and it was only some weeks later that he managed to evade the Dutch men of war and re-enter San Thomé. As the Golconda authorities were still lukewarm about continuing the war against the French, van Goens left San Thomé in June, 1673. The second siege of San Thomé began in September, 1673 when van Goens not merely organised a naval blockade but sent a large contingent to help the Golconda force besieging the town. The local Muslim officers were still reluctant to take part in the campaign and were at times positively obsructive. The siege was apparently carried on chiefly because of the insistence of the Dutch. Eventually, it was recognised that the defences of the town were too strong for any successful assault and the only hope of the besiegers lay in starving out the French. So the siege now took the form of a prolonged trial of patience, with occasional skirmishes and foraging expeditions by the French. As the supply of food ran short, a steady stream of deserters from the French camp came over to the Dutch. François Martin, who later founded the French settlement at Pondicherry, induced Sher Khan Lodi, the Bijapuri governor of upper Gingi, to enter into an agreement for secretly supplying provisions to San Thomé. But Dutch threats soon forced the governor to give up the idea. In August, 1674 van Goens returned to Negapatam with the bulk of the fleet, leaving Governor Pavilioen in charge of the siege. About a month later, de la Haye, the Viceroy, surrendered San Thomé to the Dutch on condition that he and his men would be allowed to sail to France on ships lent by the Company. Accordingly, on September 23, 1674, the French vacated the town and the Dutch and the Golconda forces moved in. San Thomé once more passed into the hands of Golconda and Qutb Shah decided to destroy the city, so that it should not attract the undesired attention of any European nations in future. The Dutch, as mentioned earlier in this volume, were rewarded by exemption from all tolls payable at Masulipatam and a grant in perpetuity of the township of Palicol. Besides, the victory at San Thomé meant a tremendous accession to the Company's prestige. It did not, however, lead to the expulsion of the French from Coromandel nor imply any basic improvement or alternation in the Dutch position on the coast.[226]

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[226] The siege of San Thomé and the Franco-Dutch War in Coromandel,, 1673—74, have been discussed in great detail in several works, — e.g.,

Kaeppelin's *Les Origines de l'Inde Francaise* (Pt. I, Ch. V), Castonnet des Fosses, *L'Inde Française avant Dupleix* (pp.101 ff), S. P. Sen, *The French in India,* Chs. VI—X, — on the basis of the French and English sources. The Dutch archives contain a wealth of material on the subject which corroborate in the main the story already known, except that they contain further details about the diplomatic background and military operations. While they are of importance to the military historian, such details are irrelevant to the general theme of the present work, for the siege of San Thomé was little more than an episode in the history of the Dutch in Coromandel. For the Dutch sources see K.A.1181, 13.11.1673, ff.30 ff, 28.6.1673, ff.504 ff, 29.4.1673, f.513vo, 23.11.1673, ff.493vo—502; K.A.1182, 11.7.1673, ff.261 vo—264vo; K.A.1188, Resolutions, 23.7.1674 — 29.7.1674, ff.278—284 and letters written from June to September, ff.609—643; Ceylon Government Archives, *Colombo Records,* Journal of the voyage of Rijcklof van Goens (No. 3399), ff.725—851; Heeres, II, pp.505—13. For the French sources, *Mémoires de François Martin,* (Edited by A. Martineau), I, Chs. VI—IX, *The Travels of the Abbé Carré* (translated by Lady Fawcett), Chs. IV—VII and letters of François Martin, Bayon and others, 5.2.1673 to 6.9.1674, in the *Archives Nationales,* Paris $C^2$62 (*Correpondance générale*), ff.197—210, 239—243vo.

Asian Traders

The competition of the Indian and other Asian merchants, destined to become a source of great worry to the Company, did not present any very serious problem initially. Compared to the magnitude of available supplies and the markets for the same, the volume of the Company's trade and capital resources was somewhat limited at the outset and consequently there was little clash of interest between the Dutch and Asian traders. And so long as the Company's resources did not increase substantially, attempts at monopsonistic control were bound to fail. The trade between Coromandel and the East Indies, however, was fast becoming a monopoly of the Dutch as it had been of the Portuguese to a more limited extent for many decades. But occasionally the Dutch ships carried small quantities of merchandise to the Indian Archipelago on behalf of the great Coromandel merchants, — some of whom combined offices of state with their trading activities, — and these were sold by the Company's agents, the proceeds being paid to the owner in merchandise, mainly spices. But such infringements of the Company's monopolistic policy were permitted rather reluctantly and, in fact, avoided whenever possible.[227]

The regions with which the Coromandel merchants had direct trade relations were Pegu, Arakan, Tenasserim and Sumatra in the East and Mokha and Mecca in the West.[228] With their relatively limited capital resources and unwillingness to undertake more than they could manage, the Dutch considered the lands bordering the east coast of the Bay of somewhat secondary importance. In these countries, the Indian merchants were in a position of advantage, — an advantage they really never lost. In contrast to the erratic and half-successful efforts of the Dutch, their trade with both Arakan and Burma was steady and successful, though limited in range and volume. In the early decades of the century, the Dutch felt the impact of Asian competition in Coromandel mainly at the time when Indian and Asian ships were loaded for voyages abroad. Procuring cloth for the Company was very difficult at such times. The Dutch tried to tackle this problem by purchasing their return cargo beforehand. Besides, occasionally, in some countries,

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[227] K.A.968, 30.8.1613, f.164; K.A.969, 16.8.1614, ff.136vo.

[228] A letter from Coromandel (Coen, VII, p.102) mentions the arrival of two Chinese junks at Masulipatam from Bantam in 1616. The local governor seized them as prize. Mrs. Meilink-Roelofsz of the Algemeen Rijksarchief, the Hague, suggested to the present writer that these junks probably belonged to Chinese settlers in Java.

there was discrimination against them in favour of Indians. In 1621, for instance, the king of Achin allowed pepper to be sold at comparatively cheaper rates to the Masulipatam merchants.

The world of Asian trade was still found wide enough for the Dutch and Asian merchants and in Coromandel at least there were no attempts as yet at monopsonistic control. As to exclusive control on the overseas trade, the system of 'passes', a legacy of the era of Portuguese domination, requiring Indian ships to take passports from the Dutch factories as guarantee against attack by Dutch ships, was already there. But the extent to which the system was generally accepted is uncertain. At times passes were refused to merchants or nobles who, as late as 1628, were in no position to retaliate; but the seizure of a Surat ship off Point de Galle for not carrying a pass involved the Company into considerable trouble and greater circumspection in future was recommended by Batavia. On the other hand, the Coromandel factors discouraged Coen's idea of making the Indians pay toll for the use of the sea-ways. The eventual exclusion of all Asian shipping from the eastern seas, recommended by Coen in 1623, was approved in principle by the Seventeen. But cruising against Indian ships carrying Portuguese ware was the only practical way in which this policy was implemented in Coromandel. In fact the Dutch ships often had to carry cargo for influential Indians to Batavia despite the repeated instructions of the Governor-General and Council to the contrary. It was only in the later decades of the century that the Dutch, with increased power and an uncompromising policy of monopoly, tried to exclude Indian traders from all direct share in overseas trade.[229]

By the sixteen thirties, there was a distinct change in the situation. Dutch attempts to establish exclusive control over both the buyer's and the seller's market for Coromandel ware clashed with the Indians' eagerness to expand their trading activities. The Company's aims were rendered feasible by an increased supply of capital. The new commercial ambition of the Indian merchants was the result of a series of complex and related circumstances: end of Portuguese hegemony, European investments increasing the capital resources of Indian merchants and the example of profitable trading by Europeans in various lands with Coromandel ware as their staple. Besides Indian merchants from the

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[229] Coen, III, p.74, V, pp.293, 297, 381, VII, pp.356, 423—24, 749, VII2, 1179, 1180, 1221—22, 1447, 1457; K.A.994, Goeree and Libenaer to Amsterdam, 4.10.1624; K.A.996, Ysbrantsz to Amsterdam, 28.4.1625; K.A.999, Ysbrantsz to Batavia, 16.10.1625; K.A.1009, 15.12.1629, ff.37—37vo.

inland areas of Golconda, Bijapur and Hindustan flocked as before to the Coromandel cloth-marts and their indiscriminate purchases pushed up the price of all textile products. The Company, now keen to control the local market on advantageous terms, found this highly inconvenient. Thanks to the stimulus to Coromandel's overseas trade provided by European commercial activity the number of Indian ships sailing from the coast to other parts of Asia was steadily on the increase. Profiting by the Company's shortage of capital, a problem which had not been entirely solved, the Indian traders purchased cloth at high prices all along the coast for export to Achin, Pegu, Tenasserim, Malay and other regions. The trade of one single merchant, the Company's chief supplier Chinanna, with Ceylon, Arakan and Pegu was large enough to be considered detrimental to Dutch interests.

Particularly thriving was the cloth trade of the Coromandel merchants with Siam and Sumatra through the ports of Tenasserim and Achin respecively. The prices offered by the Indian merchants in these markets were so low that the Dutch could in no way hope to compete with them successfully. The kings of Siam and Achin also regularly sent their own ships to Coromandel to procure cloth in exchange of the wares of their own countries. In consequence, the Company barely managed to continue its precarious trade in Siam, while at Achin, in view of the overwhelming Asian competition, they decided in 1634 to abandon the effort for some years.[230]

Tin, one of the commodities which the Dutch hoped to sell very profitably in Coromandel, was imported in large quantities by the Indian and Siamese traders from Siam. This metal could be brought to Coromandel from Malay via Batavia by the sea-route far more cheaply than from the inland areas of Siam via Tenasserim. Yet the Asian traders, who, being unburdened with heavy establishment costs, could afford a small margin of gross profit per unit, successfully undercut prices and maintained their hold on the Coromandel market against Dutch competition.[231]

The incipient commerce of the Dutch with Persia was also threatened by the growing trade of the Coromandel merchants with that country. Mir Kamaluddin (?),[232] a Masulipatam merchant with whom the

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[230] K.A.1019, 25.12.1633, f.39; K.A.1023, 27.12.1634, f.96; K.A.1025, 29.5.1634, f.317vo, 25.6.1634, ff.320, 324; K.A.1031, 28.12.1636, ff.61, 186; K.A.768, 3.4.1641, f.79; K.A.769, 9.4.1642, f.132.

[231] K.A.1031, 3.5.1636, f.1102.

[232] This seems to be the most likely Indian form of the name mentioned in the Dutch records as 'Mircomaldy'.

Dutch had extensive trade relations, regularly sent to Persia large cargoes of cloth, Bengal sugar as also sappan wood purchased from the Dutch themselves. Helpless against this competition, the Company had to content itself with merely stopping the sale of sappan wood to Kamaluddin.[233]

Already by the 'thirties, Batavia's avowed policy was to reduce Asian competition in the Coromandel trade by exploiting the Company's control over the sea-routes. Accordingly passes were no longer granted gratis to Indian ships and altogether refused whenever possible. After the fall of Malacca, ships from Coromandel and elsewhere sailing to that port were made to pay to the Company the tolls previously paid to the Portuguese. To facilitate collection of tolls, passes were often granted only for Malacca, ships sailing to the Malay peninsula being thus forced to call there. The customary permission granted to Indian traders to sail in Dutch ships from Coromandel to Batavia was now withdrawn and the practice of lending Dutch sailors and gunners to Indian merchants generally discontinued.[234]

But such measures were at best a half success. In 1635, Batavia urged the authorities at Amsterdam to accept Asian participation in the Coromandel trade as an established fact. In 1640, the refusal of passes to Bengal and Masulipatam traders, accustomed to sail to Tenasserim and the ports of Malay, was also considered inopportune. The Company wanted Chinanna to abandon his trade with Pegu in return for a contract giving him the sole right to purchase Dutch imports from Pegu to Coromandel. But the point was not pressed for fear that Chinanna might otherwise go over to the English. The Dutch ships continued to carry Indian passengers and cargoes on freight to Persia, Pegu and even to Batavia despite strict instructions to the contrary. Refusal to help Muslim ships with sailors and gunners was also not always possible in practice. In short, the Dutch gradually accepted Asian competition as a 'habitual plague' and concentrated more on ousting their European rivals.[235]

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[233] K.A.1019, 15.8.1633, f.43; K.A.1022, 15.8.1634, f.30; K.A.1028, 4.1.1636, f.42.

[234] K.A.759, Batavia to Coromandel, 28.6.1633; K.A.762, 17.2.1637, ff.124—25; K.A.768, 3.4.1641, ff.78—79; K.A.769, 31.5.1642, f.288, 20.10.1642, f.709; K.A.1011, 7.3.1631, f.27; K.A.1019, 15.8.1633, f.21; K.A.1025, 20.9.1634, f.326vo.

[235] K.A.760, 13.8.1635, f.488; K.A.767, 14.4.1640, f.131; K.A.1017, 20.10.1632, f.187; K.A.1028, 4.1.1636, f.42; K.A.1047, 4.10.1642, ff.704—5; van Dam, II, ii, p.133 and n.

But the 'habitual plague' soon assumed dangerous proportions and constituted a serious threat in more than one sector of the south-east Asian trade. The increasing participation in this trade of powerful officials like Mir Jumla, Khan-i-Khanan and Krishnappa, and the acquisition of administrative authority in the Carnatic by merchant-princes like Chinanna and Koneri Chetti, facilitated by the anarchic conditions in the Carnatic, gave a fresh edge to the Company's commercial rivalry with the Indians. In Achin and the 'tin areas' around Malacca, as also in Burma and Siam, the Company's trade suffered badly from the competition of the Indian merchants, who "were satisfied with small profits and were much subtler than the Company's servants in the matter of procuring cloth and other merchandise". They glutted the markets with all varieties of cloth, evaded the payment of the 'Malacca toll', which was compulsory in the days when the Portuguese were in possession of Malacca, and made it impossible for the Company to secure the quantity of tin required for its trade in Coromandel and elsewhere. The large volume of return cargo brought back by these merchants to the coast undermined the demand for the Company's wares. The growing tendency on part of the king of Queda and the traders of Achin, who were mostly of Indian origin, to send ships to Coromandel, despite Batavia's refusal to grant passes, intensified the existing problems and the Company's authorities were more and more inclined to believe that they could maintain their hold on the south-east Asian market only by the use of force.[236]

In 1647, Batavia finally decided on a drastic measure. The factories in Coromandel and other places in India were forbidden to give passes to any Indian ships for Achin, Malacca, the 'tin quarters' of Perak, Queda, Oujang-Salang (Junk Ceylon) etc. and any other places thereabout or further east. All ships sailing to these prohibited regions would be seized as legitimate booty.[237]

This policy achieved a temporary and very limited success. For a year or two, comparatively few Indian ships sailed to the south east. But the widespread resentment provoked by the new measures threat-

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[236] K.A.771, 9.8.1644, f.542, 23.9.1644, f.638; K.A.772, 15.3.1645, ff.128—29, 133; K.A.774, 27.7.1647, f.378; K.A.1051, 22.12.1643, f.39vo; K.A.1054, 23.12.1644, f.541vo, 4.5.1644, f.569vo; K.A.1056, 3.6.1643, f.775vo, 26.9.1643, ff.791vo—92.

[237] These detailed instructions are contained in a letter from Batavia to Coromandel, dated July 27, 1647 (see K.A.774, f.378). But a similar decision with regard to Mir Jumla and some others had been taken in the previous year (see K.A.1062 (*vervolg)*, 24.8.1646, ff.833vo ff.).

ened the very basis of the Company's trade in Coromandel and thus neutralised the rather doubtful gains which were expected to follow from them. Mir Jumla and the Golconda authorities in the north, the Tanjore nayak, and, after 1649, the representatives of Bijapur on the east coast vigorously protested against these restrictions and even threatened reprisals. Contrary to Batavia's expectation, the Indian merchants, particularly powerful nobles like Mir Jumla and Khan-i-Khanan, did not pay much heed to the Company's prohibitions and, by 1649, began to send their ships freely to these forbidden areas. The Indian merchants of Negapatam, at times helped by the Portuguese, played a leading role in this respect. The Company's prestige suffered a serious decline through such open violation of its orders. Pulicat urged an abandonment of Batavia's ineffective policy as early as 1648, and the Bengal factories actually granted passes for the forbidden regions despite Batavia's orders to the contrary. In 1651, the Indies Council decided to withdraw the restrictions as far as Achin was concerned because of the great hatred they had provoked and their general ineffectiveness. The prohibitory orders with regard to Malacca and places further east were also cancelled before long, the ships sailing to those regions being only made to pay the 'Malacca toll'. Besides, during the war with Macassar, ships destined for that kingdom were diverted to Batavia at the Company's request. The general policy henceforward was to grant passes on a selective basis, chiefly to nobles who were too powerful to be alienated. Still, the occasional refusal of passes to influential nobles or traders and the collection of the 'Malacca toll' led to recurrent troubles. This was only to be expected, when not only the Bijapur and Golconda nobles, but emperor Aurangzeb himself began to send ships to Ceylon and South East Asia from the Coromandel ports. Even worse for the Company was the growing practice of sending ships without Dutch passes adopted by some Indian traders, particularly those of Negapatam, who now knew by experience that they could defy the Company with impunity. A policy which was intended to increase the Company's power and improve its finances thus resulted only in the lowering of its prestige and the subversion of its authority. The danger of Asian competition now assumed a more formidable character.[238]

[238] K.A.776, 13.8.1649, f.116vo; K.A.778, 16.6.1651, ff.208—9; K.A.782, 21.7.1654, ff.280 ff, 16.4.1655, f.149; K.A.784, 8.9.1657, f.463; K.A.1066, 3.3.1648, f.485vo, 5.10.1647, ff.519 ff; K.A.1068, (*vervolg*), 2.4.1649, f.536; K.A.1071, 25.7.1650, f.201; K.A.1072, 10.2.1650, ff.58 ff; K.A.1074, 24.1.1652, f.15vo; K.A.1094, 2.1.1654, f.416vo; K.A.1100, 24.12.1655, f.78.

The price of cloth rose sharply on the coast as a result of this competition and the volume of supply for the Company was also affected. The demand for tin went down considerably as the Indians brought large quantities from Malacca and the adjacent regions. In the early 'seventies, the profits on copper, which were formerly very high, also declined because the Indians imported large supplies from Siam, where the metal was now brought by Chinese traders in increasing quantities from Japan. The trade in Ceylon areca nuts, which had once been very promising, was undermined by the Coromandel traders who sent their ships to the sources of supply, although this was strictly prohibited.

The Company's greatest worry, however, was the effect of this growing Indian overseas trade on the South-East Asian market, particularly on the sale of cloth, still the chief medium of exchange for procuring spices for Europe. In Siam, Achin, Malacca, Bantam, Java, Japara and Macassar the Company's profits on the sale of cloth suffered heavily through the import of large quantities of comparatively cheap cloth by Indians from the coast. The Indian merchants sold their cloth which was often of a poor quality at a profit of only about 20 % and took back gold and Japanese *coubangs* on which they made another 15 % profit in Coromandel. Unable to trade for such a small margin of gross profit per unit, the Company was helpless against such competitors. At times the Indians increased their profits by smuggling out gold which was subject to a 10 % toll in the Company's territories. To improve the sale of their cloth, the Dutch lowered the price and tried to procure it comparatively cheaply from Coromandel. The old technique of building up large inventories and releasing them at low prices when the competitors arrived with their supplies was also tried. The coast factors further sought in vain to compel groups of handicraftsmen to supply cloth exclusively to the Company. Offers of exemption from payment for sea-passes were made to Indian merchants on condition they would not import painted cloth to Java and Malacca. But eventually, in the 'seventies, the Dutch were forced to stop the import of some varieties of cloth in a desperate effort to boost sales.

In Coromandel itself, in face of this menacing situation, the Company was forced into an over-all retreat from its policy of strength. In the early 'sixties, the general policy was not to refuse passes for any place as far east as Malacca for it would have been impossible to do so. But severe restrictions were imposed on Indian trade with regions further east, though frequent exceptions had to be made in favour of powerful applicants and, by the 'seventies, the policy of refusing passes appears

to have been thoroughly discredited. The Company encouraged Indians to trade with Malacca rather than any other region, for though the profits there were affected by Indian imports, the Dutch hoped partially to make up for their losses through the collection of the 'Malacca tolls'. But the Indians often evaded these tolls by successfully smuggling merchandise out of Malacca and the adjacent regions. The necessity for sending provisions on freight to Ceylon in Indian ships, owing to shortage of available shipping space, also forced the Company to allow Indians to procure elephants from the island without paying any tolls, contrary to the general custom. This policy however had the additional advantage of boosting the sale of Ceylon elephants without any expense to the Company.

The custom of taking sea-passes from European nations which had been long accepted with little protest by Indian merchants and potentates, came to be challenged in the mid-sixties. The increase in the amount charged for the passes granted by the Company, — from 100 rials to 100 *pagodas* each, — was only partly responsible for this. The wars between the European nations now rendered the system more irksome for the Indians than ever before, because passes had to be secured from each of the belligerent nations at a given moment. Even the Danes, who earned little by honest trade, threatened to seize Indian ships unless separate passes were taken from them as well. No wonder the Indians began "to understand better their right to freedom of navigation". As a letter from the Pulicat factory pointed out in 1667, the Indians found it increasingly irksome that they dared not send their ships from their own ports across the open sea to the coast of friendly countries without purchasing passes from the different foreign nations whom they had generously allowed to trade in their lands. It was reported that in future the Dutch might be denied their freedom of trade on the coast if they insisted on the system of passes.

The final breakdown of the system, in fact, seemed near at hand. In 1666, the Qazi of Srikakole sent a ship to Tenasserim with an English pass only, and one of Sayesta Khan's ships sailed from Masulipatam with an outdated pass. A Hindu merchant sailed to Malacca without any pass at all. The Dutch tried to cope with the situation by relaxing the conditions for granting passes and authorising the dependent factories to issue them, so that it was no longer necessary to apply to Pulicat. But such measures did not affect the basic problem which was rooted in a far-reaching clash of interests.[239]

[239] For the competition with Indian merchants, 1660—1670, see K.A.789,

Fundamentally, the problem of Indian and other Asian competition was also linked up with the questions of capital resources and the ability to trade for a small margin of gross profit. Only it was more complicated by the Indians' ability to exert political pressure and their traditional acquaintance with the techniques of trade in various parts of South-East Asia. The total capital resources of the very large number of Indian merchants who now regularly sent their ships abroad were evidently not negligible. Their volume of export was indeed of impressive magnitude. In 1681, 28 ships are reported to have sailed from Porto Novo alone for Achin, Queda, Manila, and Bengal with more than 12,000 packs of cloth. The policy of refusing passes had become thoroughly discredited and the Seventeen's obstinacy on the point merely made the Dutch obnoxious to the local rulers. Indian merchants now appealed for passes to other European nations or went through a pretence of selling their ships, so that Indian ships under European flags sailed to all parts of South-East Asia including Bantam.[240] The effects of this trade in the Coromandel cloth market were similar to those of the English competition. In 1685—86, the Dutch failed to procure a single piece of cloth at Palicol for nearly a year, because the weavers were paid at much higher rates by Indians procuring cargo for Manila. Even during the Maratha wars in the South, the Indian merchants

14.8.1662, f.346; K.A.791, 11.4.1664, f.43, 10.7.1664, f.245; K.A.792, 6.4.1665, ff.47—8, 21.10.1665, f.566; K.A.793, 10.6.1666, ff.252 ff, 9.10.1666, ff.735vo—36; K.A.794, 29.3.1667, f.124; K.A.797, 30.7.1670, f.432, 17.10.1670, f.633; K.A.798, 13.11.1671, f.825; K.A.799, 15.7.1672, f.537; K.A.800, 27.7.1673, f.633; K.A.1120, 16.1.1660, ff.17vo—19; K.A.1121, 30.6.1659, ff.661vo—62vo; K.A.1122, 26.1.1661, ff.430vo, 433 ff; K.A.1123, 26.9.1660, 31vo; K.A.1128, 26.12.1662, f.218; K.A.1152, 24.6.1667, ff.593 ff; K.A.1169, 6.9.1671, f.799.

240 The following figures are available for the number of Indian ships which sailed to various parts of Asia from the different Coromandel ports in 1681—82. (See K.A.1267, ff.2083vo ff).

	Notrh Coromandel	*Pulicat*	*Porto Novo*	*Negapatam*
Achin	1	—	4	1
Arakan	1	1	—	—
Bengal	5	—	—	—
Bantam	—	—	1	—
Ceylon	—	—	—	43
Pegu	2	1	—	—
Persia	—	—	—	—
Macao	1	—	—	—
Malacca	—	—	1	—
Manilla	—	—	2	—
Oujang-Salang	—	—	2	—
Tenasserim	2	—	—	—

continued to buy up all available cloth for Achin and Manilla.[241] A letter from Pulicat in 1680 stated with deep regret that the days when the Company was the chief buyer of cloth on the coast were gone for ever and the Indian merchants purchased the bulk of the available supply in many places. Of the 23 ships equipped at Porto Novo that year, 16 were owned by Indians. The monopoly of particular varieties of cloth formerly enjoyed by the Dutch was now thoroughly undermined, because the Indians offered higher prices for all items and often purchased from the weavers the very cloth they had undertaken to supply to the Company. The growing trade with Manilla, whence Spaniards also now frequently visited the coast in quest of cloth, was partly responsible for this increased demand, and the Company's representatives saw no chance of any improvement unless that trade could be stopped.[242]

The mass of evidence provided by the factory records proves beyond doubt that in the latter half of the 17th century the trade of the Coromandel merchants had become one of the major facts in Asian commerce. They explored not only the regions directly or indirectly familiar to Indian traders, but at least one new field, — the Philippines. In the last quarter of the century this expansion of trading activities continued steadily in the face of immense problems thrown up by wars, famine and pestilence, — a testimony to the resilience of the Indian commercial and production organization. Nothing inherent in this proces of expansion itself suggests the possibility of an early eclipse. One wonders whether further developments, both quantitative and qualitative, might not have followed but for the exclusive control eventually established by a single company of monopolistic merchant capital which reduced independent traders to the position of middlemen and financiers. It is, however, to be remembered that against the competition of a buoyant joint-stock company with vast potentiatities of steadily increasing resources, individual merchants, however resourceful or capable, did not have much chance. Besides, the Indian merchants had not learnt one important lesson: to invest capital in production itself which alone could adequately reduce cost and expand the volume of produce. The European companies, on the other hand, were already introducing the manufacture system on the coast. The relative success of the Indians in their competition with the Dutch was largely a result of the Company's over-all

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[241] K.A.806, 2.5.1679, f.277; K.A.1244, 6.11.1680, ff.379vo—380; K.A.1249, 25.3.1680, ff.1472vo ff; K.A.1220, 21.12.1678, f.67vo; K.A.1242, 29.4.1681, ff.280 ff, 285 ff; K.A.1307, 13.12.1686, f291; K.A.1355, 26.3.1691, f.393.

[242] K.A.1244, 6.11.1680, ff.379vo—381; K.A.1258, 24.7.1681, f.1466vo.

decline and an inefficient organisation. Against the English, with their new ascendancy in world commerce, there was hardly any possibility in the long run of such success in trade rivalry.

CHAPTER VII

THE EXPORT TRADE: PROBLEMS AND TRENDS

The story of the Jan Company in Coromandel is essentially one of expanding capital investments for procuring cargo for the markets in Asia and Europe until they were gradually ousted from this lucrative commerce. Their trade and its impact acquired significance in proportion to the magnitude of these investments.

The capital available for purpose of investment was, however, limited particularly in the earliest years of the Company's trade in Coromandel. Plans of expansion had to be shelved in consequence, even the maintenance of two factories being considered by some an impermissible luxury. The facts that precious metals were practically the only imports from Europe acceptable on the coast and the Dutch had not yet begun to trade extensively in Asian products in demand there were partly responsible for the situation. Compared to the limited resources of the Company, the available supply of cloth was almost unlimited. In 1610, chief factor Marcelis reported from Pulicat that he could easily invest there ten times the capital at his disposal. Again, in 1615, de Haze pointed out that Masulipatam and Pulicat alone could consume three times the capital annually imported to Coromandel. The problem became so serious in 1614 that the weavers and painters employed by the Company at Pulicat had to be kept on half pay owing to a shortage of cash. There was a slight change in the situation, though not in a very desirable way, when the civil war hindered the supply of cloth at Pulicat and consequently part of the capital set aside for the cloth trade remained idle.[243]

The supply of capital was however gradually on the increase. In 1608, Coromandel was provided with a cash capital of 22,000 rials, while in 1610 the yacht *Hasewindt* brought 42,000 rials to the coast. In 1612,

[243] K.A.967, P. Willemsz from Arakan, 6.3.1608, L. Ysaacx's 'Memorye' etc., Marcelis and Fontaine to van Wesick, 8.10.1610, Bourgonje to Ysaacx, 6.2.1609; K.A.969, 16.8.1614, ff.129, 130vo, 134vo; K.A.971, "Consideratien etc.", 15.7.1615, ff.62—62vo; K.A.973, 29.3.1616, f.175vo.

the capital imported was worth at least 87,847 florins. But still the supply fell far short of the annual requirement which, according to van Berchem's estimate, was somewhere around 400,000 rials.[244] The implication of such estimates is not very clear. They may indicate simply the scope for investment or the amount required for the purchases ordered or even the capital needed to control the buyer's market. It is even possible, though not very likely, that the constant complaint regarding the inadequacy of capital was only an excuse for the coast factors' failure to implement the export policies laid down by the higher authorities.

The problem of inadequate capital was accentuated by the poor demand for the Company's wares. If the quantity of merchandise imported by the Dutch to Coromandel was very limited, the market for them was even more so. As bullion and cash specie were the only items for which there was any steady demand and their supply was strictly limited, the Company was left with little means to supplement its insufficient resources. To make matters worse, the Dutch, through their inexperience, at times imported merchandise for which there was no demand and consequently for months part of their capital remained idle.[245]

With the expansion of the Asian trade, the coast factories' capital requirements were also steadily on the increase. In 1616, the Coromandel factories required capital worth 32,000 to 40,000 rials [1 rial = $2\frac{2}{5}$ florins] every year. By 1626, 400,000 florins were needed only to buy cloth for the Indies and only a much larger capital would cover all the other necessary purchases for the markets in Asia and Europe. Some 180,000 to 200,000 florins of this total requirement could be supplied through import of spices, and a variety of minor imports supplemented it to a small extent. The remaining gap had to be filled chiefly with coins and precious metals. Japan was a potential source for the supply of silver; but it could be procured thence chiefly in exchange of Chinese ware and trade with the mainland of China had not been opened yet. Bulk of the Japanese silver procured at the time had to be invested in Formosa, where the Dutch factory suffered from chronic shortage of

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244 K.A.967, Ysaacx and van Wesick to Verhoeff, 14.11.1608; Ysaacx to l'Hermite, 12.11.1618, Bourgonje to Ysaacx, 6.2.1609, Bantam Council to van Wesick, 13.12.1610; K.A.968, 30.8.1613, ff.143, 150, 156vo, 162vo.

245 K.A.967, l'Hermite's "Memorie", Bantam, 15.10.1609, Bourgonje and Marcelis to Ysaacx, 3.3.1610.

capital. The China trade, once opened, was also expected to supply large quantities of much needed gold for Coromandel. Thus the requirements of the coast trade stimulated Dutch efforts in the Far East. Meanwhile, the Coromandel factories had to depend largely on supplies from Holland, which were far from adequate.[246]

During 1630-34, the famine in Deccan, — an exceptional but recurrent phenomenon which was often a decisive factor in the economic life of the region, — created an unusual problem for the Company: even its limited capital could not be fully invested owing to lack of supplies, for both agricultural and industrial production had been temporarily dislocated. Wars in the south, quarrels between Chinanna and his cousins and occasional heavy rains continued to hamper supplies even after 1634. But in this later period, until 1641, the basic problem once more was not of limited supply, but of inadequate capital. The requirements of the growing spice trade in the Indies implied an increasing demand for Coromandel textiles, but Batavia had no funds to cope with pressing necessity and a larger supply of cash capital from Holland was not to be expected. In the Far East, the profits in Japan were admittedly on the increase, but still had to be invested almost entirely in Formosa. In 1639, when the expected supply of Chinese gold did not reach Batavia, the supply of capital to Coromandel had to be reduced to such an extent that the volume of return cargo declined dangerously.

To side-track the problem of limited cash capital, the Company tried to boost the sale of its merchandise by providing the coast with large inventories and drastically reducing prices. But the Coromandel markets, with their limited demand for imports, reacted feebly to such blandishments.

As a last resort, Batavia sanctioned in 1637 the policy of raising short term loans on the coast, though the rates of interest were as high as 24 % to 36 % a year. By 1639—40, the Company was burdened with a loan of 75,000 *pagodas* and paid more than 52,000 florins as interest in a single year. The local credit supply, which was by no means unlimited, was pactically closed to the Dutch when Batavia ordered in 1641 that no loans should be incurred at more than 12 % per annum. But assistance from the Far East came to the rescue of the Coromandel factories at this juncture and they could send a large return cargo in 1642 despite very adverse conditions.[247]

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[246] Coen, VII, p.99; K.A.1001, 27.6.1626, ff.81 ff.

The income of the Coromandel government was augmented to some extent in this period by a further development of the freight trade. Both passengers and goods were now regularly carried in the Company's ships to and from Persia, Pegu and Bengal. The freight trade between Persia and Bengal was particularly paying and it made up to some extent for the losses on Persian coins.[248]

By the mid-forties, however, there was a distinct improvement in the situation. Closer trade relations with various regions and the Company's growing trade in the Far East provided the Coromandel factories with a supply of capital much larger than before and thus made possible a spectacular increase in the volume of Dutch trade with the coast.[249]

It was now the avowed object of Batavia to provide adequate capital for the Coromandel trade, "one of the chief pillars" of the Company's commerce, from one source or another. The Dutch could now invest in Formosa the increasing profits from their Japanese trade and thus, in turn, secure enough Chinese gold for Coromandel. Malacca and Persia

[247] For the problem of limited capital and measures taken to solve it see K.A.1031, 15.8.1633, f.19; K.A.1034, 9.12.1637, f.168; K.A.1036, 22.12.1638, ff.169vo—170, 171vo; K.A.1039, 18.12.1639, ff.75vo—77, 78vo, 30.7.1639, f.1091; K.A.1041, 8.1.1640, f.8; K.A.1043, 8.1.1641, f.20vo, 9.9.1640, f.240vo; K.A.1044, 12.12.1641, f.76, K.A.1048, 12.12.1642, f.57vo.

[248] K.A.1060, "Verhael etc.," f.232; K.A.1066, 5.10.1647, f.516vo, 25.5.1648, f.560vo; K.A.1068, 31.12.1648, f.61; K.A.1071, 9.7.1650, f.196.

[249] The following data are available regarding the value (in florins) of the capital exported to Coromandel from various regions during 1643—58. Though not exhaustive, they give an approximate idea of the increase in the volume of capital supply, as compared to previous periods. The statistics are taken from the sections on Coromandel in the *Generale Missiven:*

Year	*Batavia*	*Formosa*	*Malacca*	*Persia*	*Ceylon*	*Other regions*	*Total*
1643	712,300	292,710	—	—	—	—	1,005,010
1644	975,744	600,000	—	—	—	—	1,575,744
1645	801,681	823,560	—	—	—	—	1,625,241
1646	407,715	1062,913	81,470	384,569	—	—	1,876,667
1647	421,605	883,898	7,984	538,048	—	5,439	1,856,974
						(from Arakan)	
1648	125,513	915,055	28,302	492,569	—	210,181	2,194,080
						(from Surat)	
1649	782,646	1713,857	24,221	—	—	—	2,540,725
1650	1220,751	813,603	18,642	—	4,020	—	2,096,853
1651	445,785	810,438	—	—	7,247	—	1,269,513
1652	638,410	788,721	27,502	—	10,955	112,320	1,582,442
1653	—	725,327	—	—	—	(from Surat)	1,506,686
1654	373,539	1481,468	781,107	309,305	—	—	—
1655	809,431	1140,347	—	—	—	—	—
1656	429,032	519,851	65,729	200,000	—	—	—
1657	373,475	944,375	—	588,135	15,332	—	1,921,319
1658	432,162	573,563	34,817	628,072	36,591	—	2,358,849

and, to a lesser extent, Ceylon, also helped to augment the supplies to the coast. In case of necessity, part of the capital sent to Surat was subsequently diverted to Coromandel, chiefly in the form of bills of exchange. The available statistics indicate that after 1643 the total capital supply per annum was roughly between 1,500,000 and 2,500,000 florins, which compares very favourably even with the figures for 1641—42, when the first effective supplies from the Far East reached the coast.

Still, in a way, the capital provided was not adequate for the growing needs of the Coromandel factories. It was estimated in 1644 that about 3,000,000 florins a year were required to procure the return cargo for Asia besides another 600,000 to 700,000 for the cargo to Europe. Though the Company's credit on the coast was very high at this time and loans at 12 % interest could be secured without much difficulty,[250] Batavia was generally against the policy of raising loans and there was a consequent shortage of cash until 1646. The statement which frequently occurs in the documents of the later years, — that the coast was provided with adequate capital, — may have two alternative implications: either the estimate made in 1644 of the capital required for the coast trade was exaggerated or the market for the Company's exports from Coromandel had declined subsequently. In view of the growing competition of Indian and other Asian traders one is inclined to believe that the latter is a more likely explanation.[251]

The profits on the sale of the Company's wares showed a certain improvement in the sixties and thus further eased the problem of capital supply. This was mainly because gold once more sold at a profit in Coromandel after several years of depressed demand. The Negapatam factory, however, had to be maintained at a loss, for during

[250] This, incidentally, was a great improvement on the situation prevailing as late as 1641, when no loan was available at 12 % interest. Since there was no slackening of demand, the change obviously indicates a greater supply of capital in response to the expanding market.

[251] K.A.1051, 22.12.1643, ff.36 ff; K.A.1054, 23.12.1644, f.99; K.A.1056, 11.6.1643, ff.778 ff; K.A.1062, 15.1.1647, ff.8, 11vo. The value (in florins) of the cargo annually required from Coromandel for different regions according to a detailed estimate, dated 1652, is as follows

Holland	*Indian Archipelago*	*Malacca*	*Ceylon*	*Persia*	*Malabar*	*Total*
798,400	1,424,900	190,000	80,700	100,000	30,000	2,624,000

see K.A.1079, ff.256—7. Thus, in a good year, by adding to the supplies received around this time the profits made on the coast the Coromandel factories would have enough capital to provide for the return cargo.

the famine in Tanjore and even afterwards, very little merchandise could be sold at the place. The net loss shown in the accounts of the Coromandel factories in 1661—62 and 1672—73 resulted from this heavy burden.[252] The advantages otherwise gained were neutralised to a certain extent by this form of uneconomic expenditure.

The sale of Dutch imports as well as the procurement of return cargo in the Golconda kingdom were hindered by an unusual problem which was first encountered in the 'forties. The royal order that in Golconda territory all dues to the government must be paid in old *pagodas*, — coins minted 50 to 60 years back, — was enforced with increasing strictness. The total volume of these coins, which were of varying quality and generally inferior to the current pagodas in intrinsic value, was not very large. In consequence, the entire available supply went into the royal treasury in course of a year or two and were then re-issued to the open market through money-changers and the price of the old coins in relation to the new rose every time the process was repeated. The ratio in 1659 was 125 new *pagodas* to 100 old; in 1669, it was as high as 200 to 100. In effect, this amounted to an exorbitant form of indirect taxation. At Masulipatam and Golconda, all major transactions were now carried on with old *pagodas*; or rather, the commodities were valued in old *pagodas*, payments being made in current coins on the basis of the ratio prevalent at the time. As Cornelis Speelman pointed out in 1667, the new *pagodas* were really the legal tender, while the old coins were a commodity monopolised by the king, who forced his subjects to purchase it. The net results were a general rise in the price level and a decline in demand for all inessential commodities, — the usual reactions to exorbitant taxation.

The Company was affected by the situation in several ways. The sale of its imports suffered a decline and higher prices had to be paid for its purchases. Besides, the amount payable for the lease of Palicol (4000 old pagodas) as well as the custom duties at Masulipatam had in effect been nearly doubled by 1659. In order to adjust its policy to the changed circumstances, the Company decided to take a more realistic view of the ratio between new *pagodas* and stuivers. Formerly a *pagoda* was valued at 84 stuivers in the Company's accounts; the exchange rate of the *pagoda* was raised to 96 stuivers in 1664 and to 105 stuivers in 1666. Secondly, the Company entered into an agreement with the sup-

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[252] See *infra,* Appendix B, and the discussion on the price of bullion in Coromandel in Chapter IX below.

pliers that whatever the market rate of the old *pagoda*, they would accept a certain ratio for a specified period, so that the Company would not suffer from the consequences of sudden price fluctuations. In other words, though the commodities supplied to the Company would be valued in old *pagodas*, payments would be made in current coins on the basis of a ratio already agreed upon. The ratio was thus fixed at 125 new for 100 old *pagodas* until 1668, when it was raised to 137½ new for 100 old. But this did not really solve any problem, for whenever the middlemen feared any losses owing to the difference between the market rate of old *pagodas* and the ratio accepted by them, they charged the difference on the price of the commodities supplied.

The Company tried to circumvent the problem by concentrating on areas outside Golconda proper, where the order regarding payments to government in old *pagodas* was not operative and hence market conditions were normal. Besides, it was helped by the fact that the weavers and painters accepted payment in *nevels*, small coins the value of which had suffered comparatively little from the rise in the price of old *pagodas*. To improve the sale of its wares, the Company decided to accept payment in silver and silver rupees, the price of which was steadily declining throughout Coromandel; the silver thus acquired was exported to Bengal, where it was in good demand. But while the Dutch succeeded in maintaining a high level of procurement through contacting the actual manufacturers and paying increased prices, even the decision to accept payment in silver helped little to improve sales, because it did not affect the general demand for commodities.[253] An unusual policy of exploitation thus had the indirect result of accentuating the Company's problem of capital supply. But the increasing profits of the Far Eastern trade enabled the Dutch to keep their head above water in Coromandel.

The problem again became really serious when wars in China drastically reduced the Company's profits in Formosa. Attempts were made to fill the gap with increased supplies from Holland and Persia and occasionally by diverting part of the capital sent to Surat through bills of exchange payable in Golconda. Gold procured from Tonkin also helped to ease the situation. Still, by the mid-'sixties the shortage of capital reached dangerous proportions. For the wars in Europe severely

[253] K.A.791, 21.7.1664, f.262; K.A.795, 20.4.1668, f. 176; K.A.1120, 6.1.1660, f.20; K.A.1136, 15.12.1664, f.398vo; K.A.1146, 25.1.1667, f.192; K.A.1152, 6.12.1667, ff.149 ff; 14.10.1667, ff.616 ff; K.A.1156, 7.11.1668, f.497; K.A.1160, 28.6.1669, f.469vo; K.A.1164, 24.6.1670, f.584.

reduced the supplies from Holland and the profits in Persia suffered a set-back because enough cloth could not be exported from the Coast owing to the inadequacy of funds. Tonkin could provide only a limited quantity of gold. On the other hand, the demands for return cargo increased steadily as the Company imposed an embargo on the export of cloth by Malabar and Madura merchants to Ceylon and the consequent vacuum had to be filled by the Company's own supplies. Besides, the coast was occasionally required to make up the deficits in the capital provided for Bengal. As a last resort, raising loans at 12% interest per annum was sanctioned. But this was no longer an easy matter and by 1666 "not a *pagoda* was available on loan," a situation which was partly a result of the Golconda government's policy regarding *pagodas*. The supplies to Holland and Persia, as also to Ceylon and the Indies, had to be reduced considerably in consequence. In the late 'sixties, the Company opened negotiations for trade with the Chinese mainland, but secured nothing more than the right to send a ship to the Chinese coast once every eight years. The permission granted in 1668 for the export of an unlimited quantity of *coubangs* from Japan, however, afforded some relief and for a year or two the full orders for return cargoes were supplied by the Coromandel factories. But this improvement was very short-lived, because the European wars once more affected supply of capital from Holland so severely that in 1673 Batavia was forced to use up a large proportion of the *coubangs* meant for the coast. In 1674, a monopoly established by the governor of Nagasaki further resulted in reduced supplies from Japan and Coromandel had to be supported by loans from Ceylon and bills of exchange from Bengal, while the total debt to the local middlemen amounted to 1,727,168 florins.[254] In the last quarter of the century, the problem of inadequate capital supply ceased to be a headache because of the general decline in Dutch commerce and the consequent loss of market for the Company's exports from Coromandel.[255]

Though subject to short-term fluctuations, the long-term trend in the Coromandel factories' export trade was steadily upward until the last quarter of the century. Though the data are not adequate for precise quantification, the information available is enough to authorise this conclusion. In the context of the vast market, the increasing volume of capital investment and the Company's relative success in holding its

[254] See page 142.

[255] See *infra*, Chapter VIII.

own against its competitors, — partly a result of the former phenomenon, — were the chief factors which determined the trend. For the earliest years, the quantitative data, though inadequate, are not without significance. The yacht *Delft* brought back from Coromandel in 1606 altogether 500 packs of cargo, including 122 packs of cloth, 200 lbs of steel and some rice and lentils. In 1607—1608, the exports from Coromandel included 250 packs of cloth and 2,413 *pagodas* worth of rubies and the total value of the return cargo was at least 19,761 *pagodas*. The return cargo in 1610 consisted of 331 packs of cloth, 24 packs of cotton yarn and 72 packs of indigo, while in 1612—13 the Coromandel factories exported 869 packs of cloth, 3 pots of butter and 3 *candis* (1 candi = 480 lbs) of iron nails for the eastern trade and 595 packs of cloth and indigo for Holland, the total cargo costing about

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[254] The data available in the *'Generale Missiven'* regarding capital supply from different regions to Coromandel, 1659—74, are as follows (in florins).

Year	*Batavia*	*Malacca*	*Far East*	*Persia*	*Ceylon*	*Pegu*	*Bengal*	*Total*
1659	915,424	—	1,200,000	139,629	—	221,811	—	—
1660	281,971	705,080	—	616,947	—	—	30,251	1,745,122
1661	379,061	545,762	—	519,060	—	70,284	—	1,443,839
1662	419,064	—	494,300	—	—	56,287	—	998,080
1663	471,049	—	—	—	—	15,794	—	—
1664	1015,492	—	434,581	500,000	—	—	—	—
1665	775,514	—	676,269	—	107,900	35,665	—	1,709,793
1666	581,456	—	1,002,851	—	70,231	—	—	1,777,647
1667	1390,068	—	1,412,228	—	—	—	—	—
1668	—	—	—	—	—	—	—	2,450,389
1669	—	—	1,532,562	13,545	277,047	—	—	—
1671	381,370	—	1,253,394	—	—	210,534	—	—
1672	453,547	—	1,429,000	—	—	147,961	—	1,882,547
1673	772,984	—	—	—	—	82,735	—	—
1674	1080,292	—	—	—	—	—	—	—

Also see K.A.789, 25.7.1662, f.292, 22.9.1662, f.522; K.A.796, 26.5.1669, f.429; K.A.1120, 16.1.1660, f.23vo; K.A.1122, 16.12.1660, ff.72vo, 74vo; K.A.1123, 24.3.1660, f.15; K.A.1136, 4.8.1664, f.263; K.A.1142, 30.1.1666, f.188vo, 6.11.1665, f.1408; K.A.1146, 25.1.1667, f.201, 27.1.1666, f.841; K.A.1159, 15.12.1669, f.433; K.A.1169, 19.12.1671, f.176; K.A.1181, 13.11.1673, ff.26 ff; K.A.1187, 31.1.1675, f.331, 19.1.1675, f.247.

102,961 *pagodas*.[256] A steady increase in the volume of exports is thus indicated.

Even in the 'twenties, full trade statistics are available only for one or two years. But if the total capital worth 638,000 florins imported in 1628 is any indication of the average annual investment, the volume of trade continued to increase despite very adverse conditions. The total value of the return cargo was 693,337 florins in 1625 and 717,355 florins in 1628. Compared with the export figures for 1612—13, — viz., 360,500 florins — this indicates an increase of about 91 % to 95 %. It is significant that the troubles of 1628—29 apparently did not affect the volume of export, though the profits on the sale of merchandise that year were comparatively very low.[257]

The spectacular expansion of Dutch trade from Coromandel to other regions round the Bay and the establishment of closer trade-links between the coast factories and their sister establishments in other parts of Asia in the 'thirties can best be explained with reference to the Company's "indisputable supremacy in the Eastern trade". "In the Malay Archipelago they were easily the first, and, but for the fact that Bantam, Achin, Jambi and Macassar still remained free ports, they would have completely monopolised the commerce of those regions".[258] In Japan, they were the only Europeans and the opening of the China trade seemed to be a possibility in the near future. Their enormous capital resources and control over the supply of spices and other wares of South East and East Asia gave them a position of advantage over their rivals and considerable staying power in the face of great difficulties.

The magnitude of increase in the volume of exports was however not very impressive until 1641.[259] This was necessarily so, for until the Far Eastern trade began to pay sizeable dividends, the Company's capital resources in Asia, and consequently its investments on the coast, did not increase substantially. True, in 1635, the Company shipped a compara-

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[256] K.A.967, Ysaacx to de Bitter, 30.10.1608, L. Ysaacx's 'Informatie', 1608 van Wesick to Bantam, 15.6.1610; K.A.968, 30.8.1613, f.162vo; *Begin en de Voortgang,* II, van der Hagen's voyage, p.69.

[257] For the available statistical data, which are far from exhaustive, see Coen, I, pp.282, 290—91, 515—16, 587, 671, 759, IV, p.409, V, pp.27, 382, 384, 580, VII, pp.208, 476, VII2, pp.985, 1062, 1175, 1180, 1221, 1332, 1342, 1365, 1448, 1512; K.A.994, 27.1.1625, ff.135vo, 136; D.R., 1624—29, pp.99, 181, 197, 221, 239, 305, 324, 335, 340, 341, 360, 362; also *infra* Appendix B.

[258] E.F.I., 1630—33, pp.xxxvii—xxxviii.

[259] See page 144.

tively larger capital of 982,398 florins to the coast; but this was an exceptional measure intended to support the new venture in Bengal. In 1641, for the first time, a ship went directly from Formosa to Coromandel carrying, in the main, supplies of Chinese gold. This new development explains the enormous increase in the volume of capital supply to the coast 1641 onwards. The profits of the Far Eastern trade also stimulated the Company's trade in the Archipelago and thus contributed to an increase in the supply of capital from Batavia as well. The increase in the volume of return cargo from 1640 is to be attributed partly to the larger capital, and partly to the opening of new sources of supply in Bengal and Burma, the cargo thence being shown as a part of the coast cargo, so long as the Bengal and Pegu factories remained under the control of the Coromandel "government".

The upward trend achieved by the early 'forties was maintained

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[259] The data available for the volume of trade for the years, 1630—1642, are as follows:

Year	*Capital exported to Coromandel*	*Value of return cargo from Coromandel*
1630	386,016 florins	688,471 florins
1632	ça 650,000 ,,	ça 377,370 ,,
1633	366,001 ,,	350,274 ,,
1634	314,048 ,,	151,660(?) ,,
1635	982,398 ,,	531,874 ,,
1636	551,695 ,,	575,101 ,,
1637	446,363 ,,	—
1638	466,283 ,,	530,709 ,,
1639	442,298 ,,	—
1640	468,000 ,,	—
1641	1,210,118 ,,	923,183 ,,
1642	1,194,471 ,,	959,165 ,,

The available figures for the return cargo in 1634 are probably not exhaustive. See K.A.1011, 7.3.1631, ff.25—25vo; K.A.1016, 1.2.1632, ff.23, 80; K.A.1019, 25.12.1633, ff.36—37vo, 15.8.1634, f.34; K.A.1023, 15.8.1634, f.99; K.A.1028, 4.1.1636, f.45; K.A.1031, 28.12.1636, ff.54—6, 69; K.A.1034, 9.12.1637, ff.165—7, 180; K.A.1036, 22.12.1638, f.169, 181vo; K.A.1039, 18.12.1639, ff.76 ff, K.A.1043, 8.1.1641, ff.22 ff, 9.9.1640, f.240vo; K.A.1044, 12.12.1641, ff.76, 78; K.A.1047, "Verhael etc.", f.422; K.A.1048, 12.12.1642, ff.58vo, 61—61vo.

For the estimate of annual profits and expenses, see *infra,* Appendix B.

during the years which followed, despite the severe effects of the political disturbances on the economic life of the region.[260]

During 1645 to 1652, — years for which comparatively detailed statistics are available, — the value of the return cargo varied roughly between 1,500,000 and 2,300,000 florins. Compared to 1640 and 1641, these figures indicate over 50 % to 120 % increase in volume and the increase was much greater compared to the 'thirties. This development is to be partly explained by the larger supplies now available from Bengal and the newly established factories in Tanjore and Madura. Besides, industrial production along the coast gradually adjusted itself to the conditions of insecurity despite severe set-backs and could respond to an increased demand, which offered means of livelihood to a larger number of handicraftsmen affected by war and famine. A concentration of industrial producers around the centres of export definitely appears to have taken place around this time. In fact the economic effects of the wars, so far as the Company was concerned, were felt much more in connection with the sale of imported wares than with regard to the procuring of return cargo.[261]

In the 'sixties and early 'seventies, shortage of capital was repeatedly

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[260] The cargo exported to Batavia and Malacca included supplies meant for different parts of South East Asia and the Far East. The exports to Malabar mainly consisted of opium from Bengal, besides some cash capital originally received from other sources. The imports to Bengal 1657 onwards were mostly silver and silver coins received from Japan and Persia.
The *Generale Missiven* provide the following data regarding the value (in florins) of the cargo exported from Coromandel to various regions during 1643—58.

Year	*Batavia*	*Malacca*	*Persia*	*Ceylon*	*Malabar*	*Bengal*	*Total*
1643	—	—	—	—	—	—	930,144
1644	—	—	—	—	—	—	733,241
1645	—	—	—	—	—	—	1,542,061
1646	1,578,108	111,843	117,744	59,014	—	—	1,866,710
1647	1,293,623	—	137,592	102,100	10,938	—	1,631,113
1648	1,274,735	56,572	49,429	42,171	26,273	—	1,449,189
1649	1,562,230	251,252	57,692	61,254	15,891	—	1,948,321
1650	1,505,139	27,379	170,928	29,662	—	—	1,733,129
1651	1,457,730	132,360	91,698	62,427	37,727	—	1,781,944
1652	1,525,256	151,958	147,173	383,091	38,202	—	2,240,683
1653	1,425,190	110,372	32,035	—	—	—	—
1654	1,252,072	65,145	45,598	20,848	—	—	—
1655	1,574,580	—	41,944	—	—	—	—
1656	968,945	118,446	118,649	62,025	—	—	—
1657	1,267,688	52.055	—	57,002	—	160,000	—
1658	1,043,570	119,205	—	97,197	—	120,221	—

[261] K.A.1058, 17.12.1645. ff.36 ff.

cited by the coast factors as their major handicap in the export trade. The volume of return cargo *per annum* on an average, however, does not appear to have suffered any noticeable decline as compared with the preceding decade.[262] So the shortage of capital really implied a failure to cope with the needs of an expanding market or rather to retain control over the market against increasingly severe competition. The Company could hope to oust its rivals from the South-East Asian market only by buying up the bulk of the available supply so that even price-cutting in the sellers' market could affect only a fraction of the total demand. The repeated complaints about the inadequacy of capital can best be understood in this context.

By the mid-seventies, however, the competition of the Asian merchants and the European companies began to affect seriously the Jan Company's trade in Coromandel ware, particularly textiles. Despite the Company's failure to run the cloth trade on a sufficiently profitable basis, the volume of export from the coast was maintained on a high level till 1687, after which year the Seventeen and Batavia decided to cut their losses.[263] In the early 'eighties, in a desperate effort to capture the market, the export of cloth was artifically boosted as far as possible in the belief that the maintenance of large inventories would eventually secure some definite advantage over the rivals in trade. Later, when such measures proved to be futile, the annual exports were reduced to an absolute minimum so that no inventory would be carried over from

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[262] The *'Generale Missiven'* provide the following data regarding the value (in florins) of the cargo exported from Coromandel to various regions during 1659—74:

Year	*Batavia*	*Malacca*	*Persia*	*Ceylon*	*Bengal*	*Pegu*	*Total*
1659	1,213,147	73,546	157,598	—	194,616	41,426	—
1660	1,358,533	—	—	—	—	—	1,019,722
1661	935,634	—	—	—	—	60,675	—
1662	973,291	40,984	—	—	—	10,100	—
1663	682,052	—	—	—	150,396	40,000	—
1664	1,997,058	71,514	—	13,160	426,536	62,206	2,508,270
1665	2,190,928	109,013	154,909	44,779	—	181,378	2,839,361
1666	2,394,228	121,457	63,341	75,000	—	—	2,564,026
1667	1,940,961	125,455	—	116,529	—	145,787	—
1668	1,686,784	168,701	153,331	86,564	—	24,751	1,421,049
1669	2,128,986	146,418	—	145,067	651,545	—	—
1670	—	—	—	—	—	—	—
1671	1,579,062	—	75,045	135,853	—	—	—
1672	1,936,201	59,738	125,172	178,888	—	—	2,300,000
1673	1,181,455	—	300,000	—	—	14,450	—
1674	1,371,338	—	—	197,206	—	—	—

[263] See page 147.

one year to another. The Company's set-back in the cloth market was not compensated by the growth of demand for any other commodity. No new items were added to the list of exports. The large number of slaves procured during the famine of 1686—87 was an exceptional phenomenon hardly adequate for filling the gap created by the loss of the main export market. The continued complaints regarding the shortage of capital during these years can have but one meaning. The coast factors found it nearly impossible, in the face of strong competition, to procure the return cargo unless they had enough capital to recapture the buyer's market by outbidding their rivals and buying up a very substantial portion, if not the bulk, of the available supply. By the late 'eighties, the attempt to meet the demand of the coast factors had to be given up. The loss of control over the seller's market necessarily entailed an abandonment of the buyer's market as well. The field was now open to the English East India Company. Their European rivals, provided with little capital, were no match for them. As to the Indian merchants, whatever the potential strength of their collective capital resources, in the absence of adequate organisation to pool these, they too stood no chance in any competition with the John Company. The way to monopsonistic control on the coast market, with all its implication for production and distribution, was thus prepared.

The machinery for the procurement of the Company's return cargo and the changes in its structure over a period of time are significant as characteristic features of the 17th century commercial organisation and also by virtue of their impact on the economy of the region. By

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[263] The value (in florins) of the annual export from Coromandel during 1675—90, as given in the "Generale Missiven":

Year	*Batavia*	*Malacca*	*Persia*	*Ceylon*	*Bengal*	*Pegu*	*Total*
1675	1,403,416	109,199	—	—	—	20,766	—
1676	1,453,954	133,267	116,037	64,169	—	16,657	—
1677	517,006	—	114,334	—	—	—	—
1678	—	—	—	—	—	—	1,732,647
1679	1,153,195	—	—	388,013	—	—	—
1680	2,066,631	136,876	80,918	—	—	35,516	2,284,425
1683	2,725,672	—	116,321	21,794	—	—	—
1684	3,301,878	—	106,049	—	—	—	—
1685	2,613,736	—	—	—	—	—	—
1686	—	—	—	—	—	—	3,781,568
1687	1,015,074	—	—	—	—	—	—
1688	—	—	—	—	—	—	110,868(?)
1689	566,505	—	—	—	—	—	—
1690	—	—	—	—	—	—	699,548(?)

Also see, *infra*, Chapter VIII.

1616, this machinery had been organised on a stable basis. For the bulk of their trade, the Dutch had to depend on the local merchant-middlemen. In the Golconda kingdom, the Persian and other Muslim merchants acted as the Company's middlemen and procured the required cargo from the *Komatis* and the actual manufacturers while in the south, the Dutch dealt with the *Chetti* and *Komati* traders. Money and merchandise were advanced to the middlemen some four to six months before the time when the commodities were to be delivered. For procuring the main item of the return cargo, cloth, the middlemen in their turn advanced some money to the weavers and 'painters' covering the cost of materials and, for the rest, paid them daily wages. In other words, a substantial part of the Company's cargo was secured through an advanced form of the putting out system. The daily wage system for bulk of the supply appears to have been an innovation in the economy of the region. The Company provided the merchants with samples of required cloth sent by the authorities at Bantam and both parties agreed upon a price at the time when the contract was made. Failing this, the Company might be supplied with inferior cloth which it would be forced to accept for want of any better. At Pulicat, the merchants had to be paid mainly in cash, while the Masulipatam traders were ready to accept a large part of their dues in merchandise. Masulipatam's close trade links with Golconda, which with its court and nobility provided a good market for imported luxuries, probably explains this difference in commercial behaviour. But in Golconda itself cash payments were essential for procuring indigo and cotton yarn, partly because these were often purchased directly from the producers by the Company's employees sent inland for the purpose.

In theory, the Company's right to contact freely all brokers and merchants was guaranteed by royal *farmans* both in Golconda and the Carnatic kingdom. But in actual practice, whenever the local officials and nobles in Golconda wanted to profit directly by the Company's trade, the Dutch were forced to deal with them to the exclusion of other merchants. At Petapuli, in particular, the most important lines of trade were a monopoly of the local governor and dealings with other merchants also were subject to his approval.[264] As described above, monopolies of powerful nobles were a persistent feature of the coast trade.

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[264] K.A.967, L. Ysaacx's "Informatie"; K.A.971, Hans de Haze, "Consideratien etc.," ff.64, 67; *Begin ende Voortgang*, II, van der Hagen's voyage, p.66; Heeres, I, pp.45—6.

Part of the Company's return cargo, as already mentioned, was procured directly from the manufacturers and even produced under its supervision. The *farman* granted by the king of Golconda in 1606 guaranteed that the weavers, dyers, and other people in the employ of the Company would be allowed to work undisturbed and many of the later contracts between the Dutch and the Indian powers contained similar guarantees. As early as February, 1608, the weavers of some unspecified village in the Golconda kingdom, who were unable to pay their taxes to the governor, received the required sum from the Dutch, "for which, however, they were obliged to work". Later, a large part of the cloth procured at Tierepopelier were actually manufactured at the Company's factory, where thirty 'painters' were employed for the purpose. At Pulicat, the Dutch constructed a building where two or three hundred 'painters' worked for the Company. It appears, however, that all the processes involved in the manufacture of *pintadoes* were not undertaken in these factories, but only the partly finished products were brought there to be painted by the expert craftsmen in the employ of the Company. But at Masulipatam, the Dutch also employed a number of weavers and dyers for manufacturing plain cloth.[265] Thus already by the second decade of the century, the manufacture system had been introduced in the coast under the Company's auspices, though quantitatively on a very limited scale.

The techniques of trade adopted by the Dutch in Coromandel conformed, in all essentials, to those already prevalent in the region. The Company had, however, introduced two new elements into the familiar pattern. While the Asian and Portuguese merchants continued to buy from the manufacturers the best they could get at any given time, the Dutch, forced as they were to trade for a high margin of gross profits per unit, insisted on the supplies conforming to samples, and thus introduced the idea of specific standardization which was apparently a novelty in this region. Secondly, the rudimentary organisation for comparatively large-scale production in the Dutch factories, — the actual investment of capital in production controlled by merchant capitalists, — foreshadowed the developments of a much later period when European com-

[265] K.A.967, L. Ysaacx's "Informatie", Bourgonje to Ysaacx, 6.2.1609; K.A.971, de Haze, "Consideratien etc.," f.67; K.A.973, Resolution, Pulicat, 25.7.1615, f.197vo. As an instance of the skill of the 'painters' employed at the Pulicat factory, four pieces of cloth were sent to Governor-General Both in 1614 with his coat of arms, the Pulicat factory and Fort Geldria painted on them, Cf. K.A.969, 16.8.1614, f.137vo.

panies played a direct and significant role in the industrial production of the country.

Speaking generally, the Dutch activities and commercial organization in Coromandel in the first two decades of the century had introduced no significant changes in the life of the region. The volume of trade was still too small to affect the local economy in any conspicuous way and the Company's exports and imports in no way altered its pattern.

By the 'twenties, however, the pattern of Dutch export trade in Coromandel had undergone significant changes. It had increased considerably in volume. New items had been added to the list of exports. A shift in emphasis, destined to prove temporary, had led to a concentration on slave-trade. What is more important, its efforts to secure an increasing quantity of indigo directly from the producers stimulated production and led to an extension of cultivation, dependent exclusively on the export market.[266] An increased production of gun-powder in the Company's own factory was another qualitatively significant result.

Decades later, in the early 'sixties, a significant innovation in the organisation for procuring cloth was introduced by governor Laurens Pit. As a result of the increasing demand for fine coast cloth in Holland, a substantial proportion of the order often could not be met or the quality of the supplies would prove to be sub-standard. Besides, the orders placed with various middlemen, who competed with each other, gave the weavers and painters considerable bargaining power and pushed up the prices. As a result the Company, rather than the middlemen, ultimately suffered. To obviate such difficulties, Laurens Pit organised the chief suppliers of one particular variety of cloth, viz., 'Ternate cloth', into a 'Company' (*gezelschap*) with twelve partners, bound by contract to supply the Dutch with the required cloth. Soon other 'companies' were organised for the supply of different varieties of cloth. The partners of such 'companies', under the auspices of the Dutch, pooled together their resources in common funds to which all contributed equally on a profit sharing basis. Every such 'fund' was adequate to meet the particular orders for which they were created. This new arrangement had several important consequences. Advances to the manufacturers were made from the central fund and it was no longer necessary for the Dutch themselves to advance any money to these middlemen. Secondly, supplies no longer fell short of the orders, however large, because they were no longer dependent on the uncertain resources

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[266] See *infra*, Chapter VIII.

of individual merchants and the 'Companies' could easily afford to supply on credit in times of necessity. Besides, the competition in the buyer's market among the Company's middlemen having been eliminated the bargaining power of the weavers and painters was considerably reduced, and the expropriation of the surplus, to be shared by the Company and its middlemen, was thus facilitated. Only for the procurement of painted cloth in the south, the old system of trading had to be continued. The painters, destitute of capital, required advance payments at each stage of their work, — first for purchasing the cloth, then for procuring the dye-stuffs and later a part of their wages while actually painting. An uncomplicated organisation with a limited central fund for advancing to the weavers only a portion of the required capital, the greater part of the price being paid when the goods were delivered, could not cope with such a complex system of production.[267] Despite their relatively simple structure, however, the 'companies' of cloth suppliers organised by the Dutch marked the beginning of a new development. Before long, the English, probably influenced by the example of their rivals, organised similar associations on the coast as also elsewhere.

The formation of 'companies' for supplying cloth to the Dutch made some further progress in the later years of the century. In 1683, the local traders of Rajamahendri, without any prompting from the Dutch, organized a 'company' with a total share capital of 8,000 *pagodas* and offered to supply cloth to the Company. At Pulicat, the Dutch organized a company of suppliers on a somewhat larger scale. Set up for the purpose of procuring cloth for the Dutch from outside Pulicat on a 10 % commission, the new company had 55 shares of 200 pagodas each. The entire capital of 11,000 *pagodas* was invested in trade and managed by the Company's cashier. Similar companies organized at Palicol, Dacheron and Nagelwanse had assets varying between 4,600 and 13,000 *pagodas*. An interesting conflict developed at Dacheron between the Company of suppliers and the local weavers who tried without success to subvert the monopsony of a single company, as it took away their bargaining power. The tendency in this period was to organize monopolistic companies of suppliers in every place where the Dutch had factories.[268] Here was a development of considerable potential

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[267] K.A.1133, 22.6.1663, ff.1278—79, 1285; K.A.1160, 28.6.1696, f.469.

[268] K.A.1271, 31.12.1683, f.228vo; K.A.1253, 22.1.1682, ff.226—226vo; K.A. 1262, 13.11.1682, f.394; K.A.132, 10.4.1689, ff.140—140vo; K. Glamann, *op. cit.* p.139.

significance for it might have led to a better organisation of the Indian merchants' scattered capital resources, giving them a greater control over both the buyers' and the sellers' market and perhaps eventually even over the machinery of production. But this form of commercial organisation does not appear to have extended beyond the field of middleman business. The Indian merchants evidently lacked the spirit of innovation and enterprise, a fact which goes a long way towards explaining the stagnation of the Indian economy.

The procurement of the return cargo involved problems, partly technical in character, partly inherent in the local administrative, social and political organisation. Securing cloth of the right quality, for instance, was no easy matter and dealing with the local manufacturers required considerable tact and vigilance. If not watched carefully, they used indigo of inferior quality for dyeing and there were frequent troubles over payment. The Company, as described above,[269] was often forced to sell it wares to local governors and influential nobles, payments being made with inferior cloth for which there was no demand. The losses due to bad purchases of coast cloth amounted to 120,000 rials in three years (1611—1613) in the Bantam factory alone.[270] In Coromandel itself the losses were often augmented by bad debts. Whenever the factors were careless in choosing their middlemen or manufacturers, there was little chance of securing the commodities ordered or recovering the money advanced. The middlemen were frequently in arrears and in 1614 a large amount had to be written off as bad debts. The Company toyed with the idea of seizing proportionate quantities of cargo from the defaulters' ships to make good its losses, but was not really strong enough to decide on such extreme measures, particularly because these would jeopardise its future relations with local suppliers on whom it was very much dependent.[271] Eventually, a better acquaintance with the local market enabled the Dutch to trade with the coast merchants and manufacturers more effectively. Wars, famines and official rapacity accentuated the difficulties of securing suitable return cargo on advantageous terms. But compared to the basic issues of inadequate capital and the competition of commercial rivals, even these were but problems which belonged to the surface rather than the heart of the matter.

The requirements of the freight trade and the increased volume of

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[269] *Supra,* Chapters II—IV.
[270] K.A.967, Marcelis to Ysaacx, 17.5.1608, van Wesick to Ysaacx, 17.10.1608; K.A.968, 30.8.1613, f.163, K.A. 971, "Consideratien etc.," ff.67—67vo.
[271] K.A.969, 16.8.1614, ff.136, 140; K.A.971, "Consideratien etc." f.64.

return cargo created a new difficulty, namely, shortage of shipping space. Besides, Batavia could not spare enough ships for the Coromandel-Pegu trade and for carrying food-crops from Bengal and Orissa to Ceylon. The Coromandel authorities at first tried to solve this difficulty by hiring small Indian boats. But in 1652, Batavia authorised them to undertake the building of small ships of 50 to 70 'lasts' and some skilled master craftsmen were sent to the coast for the purpose. Construction of ships and boats was started accordingly on a regular basis at Bimlipatam, Naraspur, Masulipatam and Pulicat. The galliots and sloops built in these places were found useful not only for navigation along the Indian coast, but also for commercial purposes in Amboina, Banda, Ternate and Malacca. Their average tonnage was not more than 70 'lasts', but at least one ship of about 200 'lasts' was built in Bimlipatam. The expenses of ship-building in Coromandel were considered rather high by the Amsterdam authorities,[272] and when the Coromandel factors went beyond their instructions to produce a fluyt at a cost of 36,463 florins, Batavia objected strongly. Even the construction of ships which could be built as cheaply as in Holland was forbidden.[273] Shortage of shipping space continued to worry the Company, but the manufacture of ships in Coromandel was definitely stopped by 1661 as the expenses were considered exorbitant, only a small establishment being started at Vizagapatam for repairing ships.[274]

Among the major problems which the coast factories' export trade had to face was the competition of private traders from their own country. This problem was accentuated by the fluctuations in the policy *vis-à-vis* the private traders. The large-scale participation of the Company's employees in private trade was, in the beginning, considered strictly illegal and punishable. The factors who participated in such trade naturally sacrificed the Company's interest to their own and often appeared in the role of commercial rivals to the Company. This evil had, however, become so much an accepted fact that on one occasion the Company purchased at Bantam cloth brought illegally from Coromandel by some of its employees. It was not easy to punish the offenders, because they could at any moment take shelter inland. The question of

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[272] A ship of 60 lasts cost 14,403 florins in 1652. See K.A.456, 16.4.1658, f.25.

[273] K.A.779, 23.4.1652, f.135; K.A.780, 15.7.1653, f.201; K.A.782, 21.7.1654, ff.289, 294; K.A.783, 26.3.1656, f.110; K.A.785, 3.8.1658, f.309; K.A.786, 29.8.1659, f.673; K.A.1056, 3.6.1643, f.768; K.A.1060, "Verhael etc.," f.184vo; K.A.1074, 24.1.1652, f.4; K.A.1086, 10.1.1652, f.469vo.

[274] K.A.1121, 11.10.1659, f.794vo; K.A.1122, 16.12.1660, f.82, 26.1.1661,f.435.

legalising private trade, as the Portuguese had done, to promote increased commercial activity was discussed as early as 1608. But it was shelved on the ground that there were few Dutchmen in the East at the time who had adequate means to undertake trade independently of the Company. In 1616, however, the Company's employees were granted the right of private trade, to the great pleasure of the Coromandel factors who confidently stated that this measure would help rather than hinder the Company's trade.[275] But subsequent experiences proved such hopes to be unfounded.

The years 1619—29 witnessed a new experiment in the colonial policy of the Dutch East India Company which had important bearings on the Company's trade in Coromandel. It had been the accepted policy of the home authorities to conduct the Asian trade through a number of factories, protected by a few forts. But Governor-General Coen considered colonisation an essential prerequisite of commerce in Asia. Territories, acquired by force of arms, were to be populated by Dutch colonists, ready to undertake production of spices. The plantations were to be worked by slaves secured from different regions, through kidnapping, if necessary, and, until the colonies were self-sufficient, food was to be imported from abroad to maintain their growing population. Slaves and victuals were thus the chief commodities required to implement this new policy; Coromandel was considered a fruitful source of supply for both. For a time, even the demand for textiles was relegated to a position of secondary importance. Slaves were what Coen wanted from the coast above everything else.[276]

A new commercial system was closely interlinked with Coen's colonial policy. Under it, cloth from India, silk from Persia, cinnamon from Ceylon, porcelain from China and copper from Japan would be exchanged against the spices which constituted the Company's chief export to Europe. "The profits of the commerce that would center in the port of Batavia would be sufficient to pay for the quantities of spices and pepper that had to be exported to Europe. The consequence of the system would be that shipping between Europe and Asia would be limited to a few ships a year, but these would be ships laden with cargo worth millions, while a brisk Dutch shipping and trading would go on all along the Asiatic coast from Persia to Japan".[277] This idea of

[275] K.A.967, Matelief's "Discours etc.", 1608, van Wesick to Bantam, 15.6.1610; K.A.973, 29.3.1616, ff.176vo—177, *Koromandel*, pp.144 ff.

[276] Coen, III, pp.177—78; C.S.P., 1622—24, pp.97 ff; *From Akbar to Aurangzeb*, p.63; Lannoy et Linden, pp.69—70; *Nusantara*, pp.117 ff.

[277] *Nusantara*, p.120.

Coen was only partly implemented at the time, at least so far as Coromandel was concerned. In 1625, the return cargo for Holland was ordered to be sent via Batavia, — and not directly from the coast as before, — partly to ensure greater safety at sea. Exceptions were allowed from time to time; specially, if there was enough cargo to fill more than one ship, Coromandel was authorised to send it direct to Europe.[278]

Encouragement to Dutch colonists to participate in the inter-Asian trade was an essential feature of Coen's policy. This would be an inducement to colonisation. Besides, the capital invested by the free burghers would supplement the limited resources of the Company and thus help to keep the inter-Asian trade in the hands of the Dutch. Partly from similar motives, partly to supplement their poor income, the employees and dependents of the Company in Coromandel, — like the refugees from the Portuguese settlements, — were permitted to undertake private trade within strictly defined limits, sometime before Coen's Governor-Generalship. And in 1622, Coen allowed some free burghers from Batavia to go to Coromandel to purchase slaves.[279]

A far more radical measure was adopted on January 21, 1623 when the Council of the Indies, by resolution, granted freedom of trade to the Batavia burghers, subject to payment of tolls. The Seventeen approved this policy in 1624, but excluded the employees of the Company from enjoyment of the privilege. The burghers' private trade with Coromandel was subjected to elaborate regulations meant to safeguard the Company's interests, check fraudulent practices and prevent undesirable competition .If, for instance, the burghers were interested in the same commodities as the Company, they would be allowed to purchase only in quantities specified by the local factors. The toll payable to the Company at Masulipatam was fixed at 2 % for export and 1½ % for import. In Bengal, Pegu, Arakan and other countries round the Bay, the burghers were permitted to trade freely so long as the Company had no trade there. No one was to be allowed to settle in Coromandel without express permission from the Company.[280].

With the arrival of eight private traders to Coromandel in 1624 began

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278 K.A.997, 24.9.1625, ff.159vo ff; K.A.184, Resolution October/November, 1628.

279 K.A.978, A. Thomasz to Amsterdam, 8.5.1617; K.A.981, de Haze's instructions to A. Thomasz, 21.7.1619; Coen, I, p.781; *Nusantara*, p. 118.

280 Coen, II, 960; K.A.452, Amsterdam to Batavia, 17.10.1624; K.A.754, 25.6.1624, ff.74vo—76; K.A.999, Ysbrantsz to Batavia, 16.10.1625; ***Realia,*** p.320.

a steady flow which continued until the time when the system was abolished. At times they were called upon to fill the gaps left by the Company's limited resources. During the great scarcity of rice at Batavia in 1628, for instance, some burghers were induced to go to Coromandel to buy iron, tobacco etc. and therewith procure rice from Arakan. The Council of the Indies was often inclined to listen sympathetically to their complaints against the coast factors and ask the latter to redress the grievances.[281]

Coen's policy regarding the private traders suffered from one basic inadequacy: there was no clear line to mark out the settlers' sphere of activity from that of the Company. In Coromandel, as a result, they appeared as rivals to the Company. At times they would offer higher prices to the middlemen or buy up from the manufacturers cloth for which the Company had already advanced money, and thus deprive the Company of her legitimate cargo. Often they invested money in ways prohibited by the regulations. Batavia's orders requiring the coast factories to provide the private traders with supplies of cloth added to the difficulties of the situation. For while the burghers were free to contact all merchants, the Company could normally deal only with the middlemen who had entered into contracts. The system also often acted as a cover for illegal private trade on part of the Company's employees, many of whom returned home with commodities which could hardly be regarded as personal luggage.[282]

Strict measures were taken to deal with the growing problem. Lists of merchandise which the settlers had been permitted to export were sent to the governor of the coast factories. Persons exporting any cargo to Coromandel beyond what was specifically permitted were severely punished. All spices exported by the burghers had to be handed over to the governor to be sold with the Company's own wares. From 1628 onwards, the burghers were allowed to invest their capital only through the Coromandel authorities. To stop the illegal trade of the Company's employees, they were all forbidden to send goods to Europe during their stay in the East. Further, no one was allowed to return home with merchandise worth more than two months' pay.[283]

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281 Coen, V, pp.335—36, K.A.755, Batavia to Coromandel, 24.9.1625, 26.7.1625; K.A.756, 27.6.1626, f.88.

282 Coen, VII, p.363, VII2, p.1184, K.A.452, Amsterdam to Coromandel, 15.12.1623; K.A.997, Ysbrantsz to Batavia, 21.1.1625; K.A.999, Ysbrantsz to Batavia, 16.10.1625.

283 Coen, IV, p.709, V, pp.305—06; K.A.452, Batavia to Coromandel, 15.12.1623; K.A.1001, 27.6.1626, ff.81 ff.

The system of private trade was basically incompatible with the Company's monopolistic policy. The problems arising from it could not be solved within the existing set up short of completely abolishing the system. Under different conditions and with clearer demarcation of its scope, it might have helped the Company in its competition with other nations. But as things stood, it merely added to its difficulties. By the 'thirties, the activities of the private traders had developed into a formidable threat to the Company's trade in Coromandel. Their offer of high prices and greedy purchase of poor quality cloth rejected by the Company undermined the latter's control over the cloth market throughout the coast.[284] *Vis-à-vis* the Company, the private traders enjoyed the same advantage as the Portuguese and the Asian merchants, viz., that their establishment cost being insignificant they could afford comparatively high purchase price and low sale price. The increasingly monopolistic tendency of the Company's policy rendered the situation all the more anomalous and, in 1632, the Seventeen withdrew their sanction for private trade granted in 1623.

The decision was not popular at Batavia where it was felt that the continuation of private trade, involving as it did the investment of a larger capital by the Dutch, would have helped in the eventual expulsion of the English from the Coromandel trade. Now, on the contrary, while all foreign competitors continued to enjoy the benefits of this trade, only the Company's own subjects were excluded from it. Besides, the new measure implied loss of revenue from tolls and freights, amounting on an average to some 44½ % of the capital annually invested by the burghers. But such considerations failed to sway the Seventeen.

The majority of Dutch settlers in Coromandel, now deprived of their means of livelihood, either entered the Company's service or returned to Batavia, but a few sought shelter and settled in territories outside the Company's sphere of influence. Some, who had sold their houses in Coromandel and invested their money in cloth, were allowed to bring their cargo to Batavia and the 30,000 rials sent by some Batavia burghers for investment in Coromandel shortly before the publication of the prohibitory order were returned to them.[285]

Private trade, once more made illegal, could not, however, be crushed out immediately. In 1639, Coromandel diamonds reached Holland

[284] K.A.1012, 4.12.1630, f.132vo, 26.12.1630, f.142.

[285] K.A.1016, 1.12.1632, ff.11—14; K.A.1017, 20.10.1632, f.186vo; K.A.1019, 15.8.1633, f.20, 25.12.1633, f.42; K.A.1021, 26.12.1632, f.302vo; K.A.1023. 27.12.1634, ff.42 ff; K.A.1023, 27.12.1634, f.92.

through mysterious channels and, in 1641, the order prohibiting private trade had to be re-circulated. In the latter year, a number of Coromandel factors were sent to Batavia to stand trial on charges of private trade, but were treated with great leniency at the suggestion of governor Gardenys. Apparently, both Batavia and Pulicat were inclined to look upon the crime of private trade as a very human and understandable frailty.[286] In 1647, the 'placcat' against private trading was re-circulated, but there were strong reasons to believe that this particular crime was rampant in Coromandel and Bengal even during the 'fifties. Some of the highest officers of the Company like Laurens Pit, Adriaen van der Meyde and Govert Cracketow, were inclined to compromise with this evil. In 1643, Laurens Pit himself sought and was granted permission to lend out money on interest, though forbidden to take part in any other form of trading. In 1657, it was decided that all employees posted in places other than the Company's colonies would be permitted to have only funds essential for their house-keeping. Any income or capital in excess of such amounts was to be deposited with the Company, interest being paid for the same. Even this stringent measure was later found inadequate to cope with the ubiquitous evil of private trade.

Participation in private trade was not the only form of official corruption among the coast factors. In fact the failure of the human element was indeed a contributory factor in the eventual decline of the Company. The morals of the factors and assistants employed on the coast were by no means above reproach and their drunkenness and debaucheries at times led to serious difficulties with the local people. Officers, otherwise very able, were often found guilty of various malpractices and in 1610 a number of rules had to be drawn up to check the excesses of the officers who were in charge of the factories. In 1615, Director van Berchem was accused of living in too regal a style and held responsible for the supply of inferior cloth. Sometimes later, chief accountant Anthony Schorer was dismissed and sent to Bantam for trial charged with multiple delinquencies. It was generally felt that Coromandel was badly provided with assistants, but little was done to remedy this drawback.[287] The circumstances which necessitated van

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[286] K.A.774, 21.5.1647, f.228; K.A.778, 14.9.1651, f.359; K.A.782, 30.6.1655, ff.323—4; K.A.784, 8.9.1657, f.465; K.A.1056, 3.6.1643, ff.774vo—75; K.A.1060, "Verhael etc.," f.222vo.

[287] K.A.967, Bourgonje to Wesick, 26.7.1610, Resolution, Pulicat Council, 16.11.1610, Matelief, "Discours etc.," 1608, Bourgonje to North Coromandel, 15.2.1609; K.A.969, 16.8.1614, ff.133vo--134, 139—139vo; van Dijk, pp.57 ff.

Meydregt's enquiry in the 'eighties, and the unwholesome state of affairs which it revealed, prove beyond all doubt that the life and morals of the coast factors were not very congennial to honest trading. It is extremely doubtful, however, if their successful rivals in commerce observed any higher ethical code. Given more capital and a better commercial organisation, — less shackled by uninformed and vacillating control from above, — the Dutch in Coromandel would probably have survived all the onslaughts on their position, despite their notorious devotion to Bacchus and Venus.

CHAPTER VIII

THE ITEMS OF EXPORT

The Coromandel coast, "the left arm" of Dutch commerce in Asia, was initially important to the Company as a supplier of the chief media of exchange, textiles, for procuring the return cargo of spices from the archipelago. This single dimensional interest in the coast trade had new strands added to it with the passage of time, as markets for other coast products, — though quantitatively less significant than the cloth market, — were explored and developed in different regions of Asia as also in Europe. The sidelines in the export trade were in fact started from the very beginning, though to a very limited extent.

The pattern of textiles export itself underwent important changes in course of time. As Dr. Glamann's analysis of the sales at the Kamer Amsterdam has shown,[288] the proportion of textiles, silk and allied commodities to the total sale rose from 17.54 % in 1648—1650 to 43.45 % in 1698—1700. In course of a half-century, in other words, textiles etc. had surpassed spices in importance in the total pattern of Dutch exports to Europe. For the Coromandel coast, this meant the expansion of a hitherto inadequately exploited export market to which however the English contributed more than the Dutch.

In the earlier half of the century, the cloth exports to Europe from the coast remained comparatively unimportant and, in view of the highly specialised character of the Asian market, particular varieties of cloth had to be secured from particular centres where alone they were available. Before the establishment of the Tierepopelier factory, both plain and patterned cloth were procured at Masulipatam and Petapuli, the latter variety being obtained from south Coromandel through Golconda middlemen who took away 20 % to 25 % of the profit. Later, the Company purchased most of its printed cloth directly from the southern merchants and manufacturers and depended on the northern factories mainly for the supply of plain cloth. Petapuli provided the famous red cloth dyed with Tambreve chay-roots, while the bulk of the painted

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[288] Kristoff Glamann, *op. cit.*, p.14.

varieties required for Malay and Java came from the southern factories. Occasionally, the return cargo also included quantities of Gujarat cloth, probably procured from Indian merchants who obtained the stuff, not directly from Gujarat, but from Achin.[289]

Textile products continued to dominate the export trade in the 'twenties despite the new emphasis on the supply of slaves as the chief item sought from Coromandel. In fact, there was a considerable increase in the demand for cloth, partly in response to the Company's expanding market in South-East Asia. In 1622—23 it was decided to purchase all spices in future with rice, cloth etc. and reserve the limited supply of specie and precious metals for regions where the demand for commodities was very limited. Besides, the coast factories were often called upon to fill the gaps in the return cargo to Holland which was often far below expectation, and they contributed the bulk of their quota in cloth.[290] The orders for the Asian market were, however, given priority. The volume of supply may be gauged from the fact that 1037 and 1685 packs were exported in 1624 and 1625 respectively. The Company now regulated its supplies to South East Asia in accordance with the highly specialised nature of the demand.[291] The demand in the home market was also specialised though to a less marked dgree: Guinea cloth, sail cloth and *bethillas* were chiefly in request. The marked increase in the export of Guinea cloth, which accounted for nearly a quarter of the total arders from 1621 onwards was a notable feature of the cloth trade of this period.

Owing to the abnormal situation both in Golconda and the Carnatic, the Dutch took a direct part in organising production of cloth. In order to avoid depending on Masulipatam, they encouraged textile manufactures in the southern factories, a considerable part of which was carried on under the protection of Fort Geldria during the years of war. The Company exercised a large measure of control on the textile producers settled in Pulicat: in 1627 they were forbidden to undertake production of any variety except those ordered by the Company; the Indian

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289 K.A.967, L. Ysaacx's 'Informatie', 1608, van Wesick to Bantam, 15.6.1610, Bourgonje to Ysaacx, 6.2.1609, Marcelis to Amsterdam, 31.5.1610; *Koromandel,* pp.171—72.

290 Coen, III, pp.287, 323. Also see *Supra,* Chapter VII.

291 The fact that yellow *tapi sarassas* could be sold only in Banda indicates the degree of specialisation. *Tapi chindo* and *goulong* for Java, *peta, dragam, sarassa malaya, gobar* etc. fro Moluccas and Jambi were among the chief lines of export in this period. The Dutch also discovered now the great demand for Guinea cloth throughout Asia.

exporters to Pegu, Siam, Arakan, and Achin were deprived of their supplies in consequence. In an important sector of the buyers' market, a near monopsonistic control had thus been established. At times the Dutch provided the weavers with the special material necessary for their work, like gold yarn required for the manufacture of *goulongs*,[292] and thus fostered a new type of development within the putting out system providing scope for qualitative improvement beyond the reach of manufacturers without support from merchant capitalists.

In 1617—18, the Dutch were for the first time faced with a sudden decline in the demand for Coromandel cloth in Java, a problem which became serious in the last quarter of the century. The large sales in the previous years, according to the Java factors, had depressed current demand in the market. Probably what had really happened was that large supplies, based on wrongly anticipated high demand in accordance with the market conditions of earlier years, had resulted in a glut. The facilities for holding inventories were also apparently inadequate, otherwise the glut could have been avoided by withdrawing the supplies from the market. The Javanese were beginning to use their own manufactures around this time in larger quantities than before; and quantities of coast cloth, imported by Asian merchants, were cheaply procurable from Malacca. Besides, the poor quality of some luxury items like *goulong* and *tapi sarassa* affected demand. The consequent decline in sales seriously handicapped the Company's purchase of pepper. To meet the situation, the Dutch concentrated on procuring "exquisite" *goulongs* for the rich, and cheap rough *tapis* for the poor and stopped the practice of paying the soldiers partly in cloth, in order to revive demand. Orders for Java were reduced and those for other regions in the Indies proportionately increased. By the mid-'twenties, the problem appears to have receded into the background, partly as a result of such skilul manipulations.[293]

In the 'thirties, the demand for coast cloth underwent a spectacular increase. The increasing volume of cloth export to Japan, the brisk trade of the Chinese, Malays and other Asian traders with the ports of Java and the prolonged blockade of Malacca which closed an important

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292 K.A.452, 18.9.1621, f.69, Amsterdam to Coromandel, 15.10.1621, 15.12.1623, 12.11.1626; K.A.757, 17.3.1627, f.42vo; K.A.994, Ysbrantsz to Batavia, 21.10.1624; K.A.1001, 27.6.1626, ff.81 ff, 85—89; Coen, I, pp.59, 283, 447, II, p.292, III, p.73, VII, pp.236, 477, VII_2, p.1186, D.R.1624—29, pp.133, 189, 211, 221.

293 Coen, I, pp.337—38, II, pp.293, 294, 296.

source for the supply of coast cloth to South East Asia all contributed to this development. The eventual fall of Malacca and the arrival of the East Javanese to sell rice and make purchases at Batavia further intensified the demand. In Holland, too, by the early 'forties the demand for Coromandel cloth had reached a high level.

The rate of increase in demand during these years may be gauged from the fact that 1189 packs of coarse white cloth were ordered in 1633 as compared to 752 packs the previous year. New items were added to the list of orders from time to time. Shirts for the Company's soldiers used to be manufactured at home by the wives of the Batavia burghers. But as the quality of these products had become very poor, Coromandel was called upon to supply 8,000 to 10,000 shirts annually. By 1639, the total orders for Coromandel cloth were raised by a third in order to maintain the Company's hold on the Asian market. In view of the increasing demand in Holland for fine *bethillas, parcalles, salampuris* etc., the coast factories were also asked to procure for Europe as much as was possible without curtailing the supplies for Asia. The rate of profits on coast cloth, though not uniform throughout the period, remained consistently high. In 1633, coarse white cloth rendered a gross profit of 125 % in the Indies and Java cloth gave an average profit of 60 % to 100 % throughout these years.[294]

The Company's trade in Asia became increasingly dependent on the supply of cloth from Coromandel, and any failure to provide the coast factories with adequate capital had immediate effects on all sectors of that trade. In 1639, for instance, the small supply of coast cloth, consequenced by shortage of capital, resulted in a dangerous situation. Purchase of spices in Banda and Amboina and of pepper in Jambi and Palimbang had to be reduced to a minimum. The trade in Siam and Cambodia also suffered a considerable depression. The Coromandel merchants, taking advantage of the situation, flooded the markets of Achin, Tenasserim, Perak, Queda and the neighbouring places with their own supply of coast cloth. In Coromandel itself, the weavers and 'painters', unable to find work with the Company, began to concentrate on the production of the varieties which were in demand in the local market, while some turned to other occupations. The Company's export of Coromandel cloth had obviously become an important factor, not

[294] For the volume of cloth export, see K.A.759, Batavia to Coromandel, 28.6.1633; K.A.762, f.113; K.A.765, 11.7.1639, ff.405, 409, 30.9.1639, f.605; K.A.768, 3.4.1641, ff.67, 73, 28.4.1641, f.174; K.A.769, 9.8.1641; f.324.

only in the pattern of its own trade, but in the organisation of production on the coast itself.[295]

In the 'forties and 'fifties, supplies to the Archipelago and the Far East were further increased, while in some years as much cloth was sold at Malacca as at Batavia and in Persia also a very profitable market was found for the textile products of Golconda and Bengal. The demand in Europe remained high most of the time. Black guinea cloth was exported in quantities for Brazil and Angola, and a particular variety of cloth, manufactured near Masulipatam, was found to be in good demand in Turkey. The rate of profit on coast cloth in the Indies was roughly the same as before, and in Persia it ranged from 50 % to 75 % on different varieties. The pivotal position of the Coromandel textiles in the Company's South East Asian trade may be gauged from the fact that a delay in the arrival of supplies from the coast in 1647 reduced the profits at Batavia by 14,000 florins owing to a comparatively large export. The periodical slumps in the demand for cloth in the Indies which had worried the Company in the preceding period were, however, not altogether a thing of the past and became a serious threat in 1654—56.[296]

Procuring the required supply of cloth was, however, not an easy task, particularly during the 'forties. The wars and famine affected production in more than one way. Many weavers and painters, unable to bear any longer the sufferings caused by prolonged anarchy, had fled from northern Carnatic to safer places. The country was further depopulated as the invading armies of Golconda and Bijapur took away some 150,000 people as captives. By 1647, according to one estimate, the agriculturists and handicraftsmen in the Carnatic and Gingi regions were reduced to a quarter of their original number. The effects of this depopulation were felt most severely in connection with the procuring of 'pintadoes', for there was an acute shortage of skilled painters. Besides, there was also a dearth of chay-roots, because a large number of the dye-stuff cultivators had died or fled. The handicraftsmen who undertook to manufacture the best quality material for the Company in 1647 and later were new-comers to the field and it was some time

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295 K.A.1039, 18.12.1639, ff.75vo—77, 30.7.1639, f.1091.

296 K.A.455, 21.9.1644, f.7, 16.9.1646, f.66; K.A.770, 20.8.1643, f.590; K.A.772, 15.3.1645, f.111; K.A.780, 15.7.1653, ff.198 ff; K.A.1051, 22.12.1643, f.3; K.A.1055, 20.1.1645, ff.6vo, 7; K.A.1056, 3.6.1643; f.773; K.A.1064, 31.12.1647, f.67; K.A.1066, 18.1.1649, f.87; K.A.1100, 7.6.1655, f.339.

before they could produce 'pintadoes' according to specification. For a while the Company was forced to abandon its policy of purchasing only varieties which gave high profits, partly with the object of maintaining its hold on the market. Despite the general improvement in political and economic conditions after 1649, the high price of cotton, Mir Jumla's monopolies, Indian competition and the hostility of the Portuguese in the southern regions continued to hamper the supply of cloth. But there was a relaxation in Mir Jumla's monopolistic policy after 1650, owing to his failure to supply the Company with the cloth he had contracted for, and the Company's increasing investments attracted many displaced handicraftsmen to the coastal ports, particularly those of Tanjore and Madura. Thus, by 1658, ample supplies were once more available, not only from Tanjore and Madura, but from Golconda and northern Carnatic as well.[297]

The volume of cloth export remained high in the 'sixties, despite the decline in demand in the East Indies and the poor prices fetched in Persia in the early years of the decade. The sales in Java improved, following a reduction in prices, and the growing requirements of the European market more than filled any possible gaps in the orders to Coromandel. In the mid-'sixties, supplies brought by the English were reaching different parts of Europe, and the Company also decided to profit by the increased demand, especially for patterned cloth. So the orders from Holland for Coromandel cloth were unusually large by the early 'seventies and the different varieties fetched 65 % to 160 % gross profit in Europe. In Persia, too, the trade in Coromandel cloth once more became profitable at this time and gave a profit of 61 % to 81 % on the different varieties. Procuring cloth was rendered difficult around 1660 by the famine in the south and the high price of cotton in the north. Though the situation in these respects improved before long, shortage of capital and the consequent arrears in payment to the weavers affected the quality of supply. Besides, the brisk purchases by the English and the Dutch pushed up the price of the varieties procured for the European market.[298]

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[297] K.A.1062 (*vervolg*), 24.8.1646, f.832; K.A.1064, 31.12.1647, ff.67vo; K.A.1066, 5.10.1647, ff.517vo, 523; K.A.1068, 31.12.1649, f.59; K.A.1071, 19.10.1649, f.217vo; K.A.1079, 24.1.1652, f.234; K.A.1104, 6.5.1656, ff. 231 ff; K.A.1115, 14.12.1658, f.77.

[298] K.A.795, 20.4.1668, f.170; K.A.797, 30.7.1670, f.431; K.A.799, 14.4.1672, 27.7.1672, f.644; K.A.1122, 14.8.1660, f.383vo; K.A.1123, 14.7.1660, f.42vo; K.A.1146, 25.1.1667, f.209; K.A.1147, 15.11.1666, f.659.

The competition of the Indians and the English did not merely undermine the Company's chances of profitably purchasing cloth on the coast, it also undermined their control over the seller's markets *in* Asia and Europe. In Europe, as already noted, the Dutch could not afford to sell cloth as cheaply as the English and thus lost their hold over the market. In many parts of South-East Asia, they were gradually ousted by Indian competition. A new factor, — first encountered in a mild form in the second decade of the century, — also contributed to the decline of the Company's cloth trade in Java and adjacent regions. In the early 'eighties, the Batavia authorities reported that the Javanese had begun to prefer the painted cloth manufactured in their own country to the stuff imported from the coast. The prolonged wars in Java frequently isolated the inland areas from the coastal towns and prevented the transport of imported wares to those regions. The growth of a native cloth industry was fostered by this circumstance, and though the early products were not comparable in quality to the Coromandel ware, they were cheaper and probably more durable. In the face of this new competition, Batavia's efforts to revive the demand for coast cloth was not very successful. By 1683, the store-houses in Batavia lay over-stocked with unsold Coromandel ware. Hopes that the demand would again improve were not given up and, accordingly, the orders to Coromandel were not refused for some years. But by 1687, Batavia no longer saw any ground for optimism. So the coast factories were instructed not to send any cloth above the quantity specifically ordered. At about the same time, similar orders were received from Holland, and Batavia decided to meet part of the requirement for the European market from her own inventory.[299] The quantitative data available are not adequate to authorise any definite statement regarding measurable trends in the Dutch cloth export from the coast. It is, however, clear that even in Europe, where the market as a whole was expanding, the Dutch were losing ground to the English. For Coromandel, it surely meant a reduction in the total volume of exports by the Jan Company, though the English exports almost certainly more than compensated the losses suffered.

The item next in importance to cloth among the Dutch exports from Coromandel was indigo which was in great demand in the Netherlands. Masulipatam and its hinterland, the chief source of supply on the coast,

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[299] K.A.812, 14.8.1683, f.1236; K.A.814, 15.8.1684, ff.331vo—332; K.A.815, 1.5.1685, ff.200—201; K.A.817, 24.7.1687, f.520.

could provide three to four hundred *bahars* [1 *bahar* = 480 Dutch lb] of indigo every year, but owing to its limited capital and the competition of Indian merchants who purchased large quantities at high prices, chiefly for export to Persia, the Company could secure only small quantities. After the opening of the Tierepopelier factory, the Company was no longer entirely dependent on Masulipatam for its supply of indigo, but the quality of the stuff procured at Tierepopelier was rather poor and the Dutch exported very little of this variety. The bulk of the Pulicat indigo was used by the local weavers for dyeing cloth. Still a certain quantity was available for the Company and 200 *bahars* were procured in 1615—1616.[300]

The export of Coromandel indigo increased as the result of a growing demand in Holland. In 1616, Amsterdam asked for an annual supply of 900 to 1000 *fardel* [1 *fardel* = 170 Dutch lb] good quality Coromandel indigo, or even poor quality stuff, if nothing better was available. After a brief interlude during which Surat indigo was preferred, the home authorities finally decided in 1625 that Coromandel indigo, specially the Tierepopelier variety, was the best. At the instance of the Seventeen, and to meet the problems regarding adequate supply which arose out of troubles in Golconda and wars in the south, the Dutch encouraged large-scale indigo cultivation in South Coromandel, made specific contracts with the middlemen and cultivators regarding the quality to be supplied, and tried to ensure that seeds were sown accordingly. Experts were engaged to guarantee good purchases and at least one expert was brought from Holland in 1621.[301]

The export of indigo from Coromandel, which had been rather limited in quantity in the earlier years, assumed considerable proportions after 1632, again mainly as a result of the steadily increasing demand in Holland. The rising price of indigo in Surat and North India, the rival sources of supply, was also a factor. In 1633, 100,000 lbs of indigo were ordered from Coromandel while in 1637 the orders were for 150,000 to 160,000 lbs. The average annual supply, however, was only around 23,000 lbs. Procurement was rendered difficult by the fact that the indigo cultivators, as producers of cash crops, had been among the first casualties of the famine and in many areas production had ceased for years in consequence. While the return to normal economic life helped

[300] K.A.967, Bourgonge to Ysaack, 6.2.1609, K.A.968, 30.8.1613, ff.157, 162vo; K.A.973, 29.3.1616, f.178, *Relations*, p.52.

[301] K.A.450, 11.4.1616, f.355; K.A.452, 18.9.1621, f.69; K.A.997, "Memorie" of Raphael Olyva, ff.90 ff; K.A.997, Batavia to Coromandel, 26.7.1625; Coen, II, pp.162, 213, 292, 303, IV, p.368, VII, pp.228—29, 352—53, 357.

the resumption of indigo cultivation, the Dutch played an active and vital role in this particular sector of Coromandel's agriculture. Very high prices were offered for some time to induce the peasants to resume cultivation, and, by 1636, production had returned to normal in the Masulipatam area largely as a result of the Company's increased demand. In the south, too, production reacted quickly to increased demand and presently the Dutch concentrated on procuring southern indigo in order to circumvent the competition of the English and Bijapur merchants which pushed up the prices of Masulipatam indigo. But the orders from Batavia could not be supplied in full and the attempts to procure indigo from Bengal and Arakan proved useless, because the samples sent to Holland were found unacceptable. The prices of different types of indigo varied considerably in Holland: a pound of Tegenapatam indigo, which cost 10—11 stuivers, sold at 80 stuivers in Europe, while the Pulicat variety fetched no more than 41½ stuivers per pound.[302]

The annual demand for Coromandel indigo in Holland eventually suffered a decline and was somewhere around 30,000 lbs in the 'fifties. After some initial difficulties owing to the Company's shortage of capital, which induced the merchant-middlemen to export their unsold stock overland to Persia, over 44,000 lbs were procured in 1644. Subsequent shortage resulted mainly from the competition of Indian merchants who purchased large quantities for the Bijapur and Burhanpur markets.[303]

A revival of demand in the Netherlands took place in the 'sixties and the Tegenapatam variety yielded a gross profit of 234 % in 1667—68. But production had suffered severely in Southern Coromandel as a result of the wars, and only small amounts could be exported to Europe after meeting the requirements of the Company's dyeing establishments in Coromandel and Ceylon. The high prices in Europe were partly caused by the shortfall in supplies,[304] rather than an expansion in the actual volume of demand.

[302] K.A.760, 29.1.1635, f.274, 13.8.1635, ff.485; K.A.762, 31.7.1637, f.554; K.A.765, 28.12.1639, f.120; K.A.767, 14.4.1640, f.128; K.A.768, 28.5.1641, f.175; K.A.1019, 25.12.1633, f.37; K.A.1022, 15.8.1634, f.34vo; K.A.1023, 27.12.1634, f.95vo; K.A.1028, 4.1.1636, f.41; K.A.1031, 8.10.1636, f.1123; K.A.1041, 3.10.1641, ff.269 ff.

[303] K.A.051, 22.12.1643, f.38vo; K.A.1054, 23.12.1644, f.538vo, 4.5.1644, f.568vo, 3.10.1643, f.798vo; K.A.1068, 13.4.1649, f.547vo; K.A.1079, ff.256—57.

[304] K.A.1122, 5.2.1661, f.629; K.A.1152, 24.6.1667, f.603vo;K.A.797, 31.10.1670, f.709.

The great emphasis on the procuring of slaves was the distinctive feature of the Company's trade in the 'twenties. "If the slaves are purchased at reasonable price," wrote Coen to Coromandel in 1622, "they render incomparably more profit than cloth... If we could secure some hundred thousands, not one would be refused." In 1625, the Council of the Indies confirmed these sentiments in even stronger terms: "At present no better and more lasting service can be rendered to the Company than to populate and thus secure her territories".[305]

The early efforts to secure slaves were not very successful. A ship sent in 1621 with enough accommodation for two to three thousand slaves brought back only 124. After repeated prodding by Coen, 1123 slaves were procured in 1623 and 928 in 1624. But the subsequent years witnessed a decline in supplies, and though the Company tried to tap the rich sources in Arakan and Bengal, the results were inconsiderable. Nothing came of an agreement with the governor of Calitura who undertook to supply 100 slaves per month. In 1628, the Company could export only 73 slaves from the coast. By then the prices had gone up from 4—5 *pagodas* to 12—14 *pagodas* per slave. Improved political and economic conditions in Coromandel and difficulties in Arakan were the main reasons for the slump in supply. Besides, though some Indian traders had a regular traffic in slaves, there was a strong feeling in the country against the practice.[306]

The conditions in which the trade was carried on were far from humane. Many of the slaves were people kidnapped on the highways or forcibly taken from their parents by the dealers with the connivance of the Dutch. As a result, the people from the countryside stopped frequenting the Pulicat markets and many inhabitants of Pulicat withdrew to safer places. The rate of slave mortality in Coromandel and the transport ships was very high. Of a consigment of 1167 slaves, 69 died on their way in 1623 and of the 1300 procured in 1625 nearly half the number perished even before they could be shipped. Many of the deaths on board ship in 1624 were due to the slaves being fed on raw rice and water for several days. In the Indies, too, the slaves died in large numbers through failure to acclimatise themselves. Some ran away to the forests and there perished from starvation. The horror of it all is brought home by the fact that many of the slaves were of ages varying from 8

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[305] Coen, II, p.446, III, pp.75, 177—79; K.A.756, 28.10.1626, f.141vo.

[306] Coen, I, pp.708, 781, V, pp.29—30, VII_2, pp.1220—21, 1351, 1446; K.A.995, Pulicat to Batavia, 6.6.1624; K.A.996, Batavia to Ysbrantsz, 26.7.1625, ff.123 ff; D.R., 1624—29. pp.33, 99, 221, 239, 290.

to 20, — the age-group preferred by Batavia. Naturally, this trade brought the Dutch into disrepute in Coromandel and the local factors recommended greater circumspection in future.[307]

The export of slaves from Coromandel, which had featured so prominently in the Company's trade during the 'twenties, became altogether unimportant by the 'thirties. The demand for slaves was still considerable, as they were essential for the maintenance of the Company's factories and settlements. But freed from Coen's continual pressure, the Coromandel factors slackened their unpopular efforts to procure slaves, a task which was never too easy. Some slaves were procured during the famine and immediately afterwards.[308] But the supply dried up almost completely after 1635 and the few slaves that were available sold at 18 to 20 rials each, a price that was considered too high.[309]

Supply of slaves from Coromandel, which had been reduced to insignificant proportions by the late 'thirties, had a temporary boom in the 'forties. In 1643, Gardenys stated in reply to Batavia's angry queries, that slaves could still be secured from Gingi and Tanjore, but only at uneconomic prices. Attempts to induce Krishnappa to permit the purchase of 800 to 1000 slaves each year in Gingi failed completely, because the general considered the slave trade 'a great sin in the eyes of the gods'. Still, in 1644, some 100 slaves were procured from the inland areas, besides another 58 from Bengal. But the big boom came in 1646 when, as a result of the famine, 2,118 slaves were shipped to Batavia, of whom 572 died on the way. The prices were as low as ¾ *pagodas* per head. As the ample supplies secured in 1646 were expected to meet the requirements for some years to come, purchases were slowed down in 1647 and orders to Arakan and other places considerably reduced. By 1652, the demand for slaves in the Indies revived once more, but the end of the famine in Coromandel had terminated the boom in supply, and not more than 19 could be exported that year.[310]

During 1659—61, the purchase of slaves in Coromandel, which had practically stopped for years, had a short-lived boom owing to the famine

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307 Coen, I, p.781, II, pp.214, 447, V, p.296; E.F.I., 1622—23, pp.105, 122, 141, 147, 229; K.A.754, 26.3.1624, f.36vo; K.A.998, 3.2.1626, ff.3—3vo.

308 100 slaves were purchased in 1630, and 91 in 1635.

309 K.A.1012, 4.12.1630, f.134; K.A.1017, 20.10.1632, f.187vo; K.A.1029, 19.6.1635, f.668; K.A.1047, "Verhael etc.," f.447vo, 4.10.1642, f.714.

310 K.A.770, 1.4.1643, f.127; K.A.779, 21.5.1652, f.281; K.A.1054, 3.3.1644, f.574; K.A.1056, 17.2.1643, ff.743—43vo, 3.4.1643, f.764; K.A.1059, 5.10.1644, f.279; K.A.1062, 15.1.1647, f.9; K.A.1064 *(vervolg)*, 2.8.1647, f.678vo, 20.4.1647, f.685vo.

in Tanjore. In about a year's time, 5000 slaves, most of whom were peasants and handicraftsmen, were purchased at Negapatam at the rate of 1 rial per head. And this figure represented hardly a quarter of the total available supply, which the Company could not afford to buy up owing to a shortage of provisions. Practically all the slaves were sent to Ceylon, where the Company tried to organise production of cloth under its own jurisdiction by the handicraftsmen purchased as slaves in Coromandel. This experiment, however, did not prove a great success. Besides, the supply of slaves stopped with the return of normal conditions and none could be procured in the mid-'sixties despite the great demand in Banda and Batavia.[311]

The need for larger food supplies created by Coen's new colonial policy also led to an increased demand for Coromandel rice. As early as 1618, the Company, faced with a shortage in Java, asked the Coromandel factories to send as much rice and paddy as possible. Despite the objection of the coast factors on grounds of increased prices and limited capital, 1000 *lasts* were again ordered during the scarcity of 1624—25 and 536 *lasts* actually exported. The shortage at Batavia continued till 1628 and ships were sent from there to Arakan in order to procure rice. When conditions improved in 1629, the orders to Coromandel were reduced. Besides rice and paddy, quantities of butter, oil and honey, partly procured from Orissa, were exported to Batavia, but attempts to export meat met with little success. Occasionally the Dutch appeared as sellers of rice in South Coromandel, which was not always self-sufficient in food, and sold quantities of imported Arakan rice. In 1621, they also sold some Masulipatam rice at Pulicat at a profit of 40 % to 50 %.[312]

Batavia's requirements of rice supply from Coromandel remained high in the 'thirties, specially because the Company now undertook the manufacture of *arak* for the provision of its ships. During the famine years, small quantities procured from Orissa were shipped to Batavia, though the demand for rice in Coromandel itself was very high. Even later, supplies came mainly from Bengal, Orissa and the south, specially in the early 'forties, because the *sar-i-khail* established a temporary

[311] K.A.794, 29.3.1667, f.142; K.A.1121, 11.9.1659, f.795; K.A.1122, 14.8.1660, ff.382 ff.

[312] Coen, II, p.450, III, p.96, V, pp.295, 299, 382, 516, 580, VII, p.828, VII2, pp.1184, 1214; D.R., 1624—29, pp.99, 133, 189, 211; K.A.754, 25.6.1624, f.72vo; K.A.994, 27.1.1625, f.136vo; K.A.995, Masulipatam to Batavia, 2.7.1624; K.A.997, 27.7.1625, ff.123 ff.

monopoly of the rice trade at Masulipatam. In 1641, orders to Coromandel were temporarily written off in view of the ample supplies from Arakan and Mataram. But the very next year, export from Mataram was prohibited by the king and a failure of crop in Java further complicated matters. So the Coromandel government was asked to procure 600 to 800 lasts [1 last = 3,000 lbs] from Bengal and Orissa. As regards wheat, 147,238 lbs were exported in 1641 and the annual order was fixed at 120 lasts that year.[313]

Despite the great dearth on the coast itself during the famine years, the Coromandel government was called upon to supply rice in quantities much larger than before. The chronic shortage in Batavia, owing to unfriendly relations with Mataram, one of the chief sources of supply, and the requirements of the Ceylon and Malacca factories explain this increasing demand on the coast. In 1643, Coromandel supplied 536 lasts of rice with great difficulty, but during and, for several years, after the famine, Pulicat had to depend chiefly on Bengal and Orissa. By 1652, the situation on the coast had improved and 1000 lasts were shipped to Batavia, besides 500 lasts to Ceylon. In 1653, the exports to Batavia rose to 1300 lasts and, in 1655, Ceylon also received 1000. The volume of wheat exported was comparatively small and does not appear to have exceeded 120 lasts in any year.[314]

The requirements of the gun-powder factory at Amboina, the beginning of gun-powder production in the Coromandel factories and high demand in Europe during the Thirty Years' War led to a great increase in the Company's purchase of Coromandel saltpetre, at first in demand mainly as ballast, — which had begun in the earliest years of the Company's trade with the coast. In 1624 and 1625, 270,000 lbs and 286,434 lbs respectively were shipped to Batavia from Coromandel. At Tierepopelier, the chief source of supply, saltpetre was available at 6 to 8 rials per *bahar* (460 lb). In Holland, when the prices rose by some 100 % in 1628, it sold at 1 florin per pound; and when the country enjoyed comparative peace, the prices fell by 25 %. The wars and Danish com-

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[313] K.A.760, 13.8.1635, f.481; K.A.765, 11.7.1639, f.413; K.A.768, 3.4.1641, f.71; K.A.769, 9.4.1641, f.132, 31.5.1642, f.285, 20.10.1642, f.714; K.A.1012, 4.12.1630, f.142; K.A.1015, 9.12.1631, f.132vo; K.A.1047, "Verhael etc." f.420, 4.10.1642, ff.705vo—706.

[314] K.A.770, 11.6.1643, f.377; K.A.774, 21.5.1647, f.224; K.A.779, 23.8.1652, f.563; K.A.783, 26.3.1656, f.115; K.A.1051, 22.12.1643, f.37; K.A.1056, 3.6.1643, ff.767 ff, 3.10.1653, f.797vo; K.A.1062 *(vervolg)*, 9.6.1646; f.797, K.A.1080, 24.12.1652, f.54vo; K.A.1001, 5.2.1653, f.267vo; K.A.1107, f.242.

petition affected the supplies in Coromandel, and for some years the Company was handicapped by the lack of arrangements for refining saltpetre. But by 1624, refining kettles imported from Holland were installed, and it was decided to export only refined saltpetre henceforward.[315]

Around the same time, the Coromandel factories began to export gun-powder, while previously they had to import it for their own use from the Indies and Holland. As adequate supplies to meet the Company's growing needs were no longer available, Coromandel was asked in 1617 to procure gun-powder locally; and it was soon discovered that enough quantities to provide all the Asian factories could be secured on the coast, if the sulphur required for its manufacture was regularly supplied. The prices were only 15/16 florins per 100 lbs. From 1624—25, the necessary supplies of sulphur and vats required for shipping were provided by Batavia; even an expert was sent from Holland. The quantity exported rose from 10,000 lbs in 1625 to 22,000 lbs in 1627.[316]

The demand for saltpetre was practically unlimited so long as the Thirty Years' War continued in Europe. In 1634, orders were placed for 300,000 to 400,000 lbs for Holland and 100,000 lbs for Batavia, but as the Company's purchases during the preceding years had been somewhat irregular, production had declined proportionately, and only 103,407 lbs could be shipped that year. In the late 'thirties, saltpetre from Bengal supplemented those from the coast. At first, unrefined Bengal saltpetre was brought to Tegenapatam for refining, but in 1640—41, a refinery was set up at Pipli with copper kettles imported from Holland.[317]

The growing requirements of the Asian factories also led to an increase in the export of gun-powder which rose from about 12,000 lbs in 1631 to 50,000 lbs in 1635 and eventually to 70,000 lbs in 1642. Even 100,000 lbs, Batavia pointed out in 1642, could be used to provide

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[315] Coen, II, p.297, III, p.209, V, pp.30, 515, VII, p.360, VII2, pp.1183—84; K.A.451, 12.4.1617, f.199; K.A.452, Amsterdam to Coromandel, 15.10.1621; K.A.994, 27.1.1625, f.138.

[316] K.A.451, 12.4.1617; K.A.452, Amsterdam to Coromandel, 15.10.1623, 12.11.1626, same to Batavia, 8.12.1625; K.A.755, Batavia to Coromandel, 26.7.1625; K.A.756, 27.6.1626, f.87; Coen, V, pp.28, 118, 516, VII2, p.1184.

[317] K.A.767, 14.4.1640, f.131; K.A.1025, 20.9.1634, f.324vo; K.A.1029, 10.6.1635, f.676vo; K.A.1042, 3.3.1640, ff.429vo—430; K.A.1044, 10.3.1641, ff.269 ff.

adequately the Company's ships and factories. As the manufacture of gun-powder was carried on for the most part directly under the Company's auspices, production could be maintained on a high level despite wars and famine. The main difficulty encountered in connection with the export of gun-powder was a shortage of earthenware vessels required for shipping, and as a make-shift arrangement, wooden caskets with leather tops were at times used for the purpose. Sulphur, a necessary ingredient, as already noted, was also not locally available in adequate quantities, and supplies had to be provided from Holland.[318]

With the growth of the Company's trade in Bengal, the problem of saltpetre supply was solved satisfactorily, despite the efforts of some Bengal nobles to monopolise the sale of this commodity to the Dutch. As Gingi, one of the chief sources of supply, was badly affected by the war, attempts were made on the coast to procure it from places further south like Trimelevas. But Bengal definitely replaced Coromandel as the chief source of supply, and large quantities, procured mainly from Patna, and refined at Hugli or Pipli, were often shipped direct to Batavia. The end of the Thirty Years' War does not appear to have vitally affected the demand for saltpetre in Holland, which was still about 800,000 lbs in 1652. Earlier, in 1649, 840,000 lbs were actually procured at Patna and a fall in prices in 1655 further facilitated procurement.[319]

The demand for gun-powder also remained consistently high, as Coromandel was called upon to provide not only for Batavia, but also other factories in Asia, particularly those in Malacca, Persia and Ceylon. Part of the supplies from the coast was also shipped to Holland during this period. In 1655, 'factories' for producing gun-powder were started in Batavia, — as it was not always convenient to depend on the coast, — and two years later the Ceylon factories also started manufacturing for themselves with saltpetre from Bengal. Still, the factories on the coast were asked to produce 200,000 lbs per annum, so that there should be no shortage in the supply of this vitally important commodity. The bulk of the gun-powder required for Asia apparently continued to be supplied from Coromandel. In 1644, and again in 1652, fires in the godowns at Pulicat and Masulipatam resulted in temporary dislocation of production. But matters were soon set right, and a shortage of proper packing

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[318] K.A.760, 29.1.1635, f.274; K.A.769, 9.4.1642, f.129; K.A.1015, 12.7.1631, f.135vo; K.A.1037, 20.3.1638, f.169vo; K.A.1047, 4.10.1642, f.711.

[319] K.A.1054, 4.5.1644, f.565; K.A.1056, 17.2.1643, f.747; K.A.1064, 27.6.1647, f.755vo; K.A.1066, 18.1.1649, f.92; K.A.1079, ff.256—57; K.A.1091, 13.2.1653, f.275; K.A.1100, 24.12.1655, f.92vo.

material remained the chief difficulty with regard to the supply of gunpowder.[320]

In 1615, the lucrative diamond trade of Coromandel and the adjacent regions attracted the attention of the Company, and chief factor Willem den Dorst submitted a report about the prospects of this trade in Gingi. It was not from Gingi or Vellore, however, that the Company tried to procure diamonds in this period. In September, 1615, factor Leonard Wolff was sent to Bijapur to secure from the king the right to trade in diamonds in his country. But Wolff's mission proved an expensive failure and Pieter Gillisz, who was sent to replace him, did not achieve much either. The Company decided to purchase in Coromandel 6/700 *pagodas* worth of diamonds in March, 1616. Beyond that, the Dutch made little headway in this line of trade until the early 'twenties.[321]

Though the earlier prospecting missions in South Coromandel had been of little use, by 1621, following the discovery of some new mines in Golconda, the diamond trade was organised on a fairly stable basis. 1788 carats of Golconda diamonds exported that year secured high profits in Holland and Coromandel was asked to procure as much as possible. But in 1622, the king temporarily closed the mines partly with the object of intensifying demand, and consequently prices rose by some 100 %. Still the Dutch continued their purchases, even raising loans for the purpose. Though the mines were reopened in 1623, diamonds were declared a royal monopoly, no traders being allowed to purchase them. Still, in 1624, the Dutch managed to export 1561 carats. When, in 1627, the purchase of diamonds was again allowed, the prices were still prohibitive, and the merchants were afraid to bring supplies to Masulipatam, because of the governor's rapacity. Prices fell with the resumption of the old custom of farming out the mines, but they did not return to their earlier level. In 1629, only 63 carats were exported to Batavia and it was made clear that it was impossible to supply diamonds worth 100,000 florins as ordered by Amsterdam.[322]

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320 K.A.771, 23.9.1644, f.634; K.A.779, 23.8.1652, f.570; K.A.782, 16.4.1655, ff.126—27; K.A.783, 26.3.1656, f.112; K.A.1059, 5.10.1644, f.289, K.A.1060, "Verhael etc.," f.213vo; K.A.1066, 7.10.1648, f.462; K.A.1086, 16.10.1652, f.521vo; K.A.1111, 28.9.1657, ff.590 ff.

321 K.A.973, 14.12.1615, ff.161vo, 173, 202, 209, Resolutions, Pulicat, 26.4.1616, 21.9.1615, 22.1.1616; "De Nederlanders in Voor Indië etc.", *De Indische Gids,* 1915, p.335.

322 Relations, pp.31 ff; Coen, I, pp.611, 753, III, p.209, V, pp.30, 95, VII, pp.748, 829, VII2, pp.1065, 1069, 1178, 1184, 1218, 1346, 1447, 1761; K.A.452, Amsterdam to Batavia, 18.10.1623, same to Coromandel, 15.12.1623;

The insecurity of the roads to the mine district affected the Company's diamond trade during the famine in the early 'thirties. Later, in 1635, as a result of the large purchases by the merchants from Goa, Arakan and Achin, prices at Masulipatam were nearly as high as in Europe. In 1636, however, diamonds worth 45,566 florins were procured by the Company. But soon afterwards the Golconda king again prohibited digging for diamonds for some time in order to increase the demand, and it was not until the early 'forties that the condition of this trade improved once more. The blockade of Goa stopped the export of diamonds to Europe by the Portuguese and this led to a decline in demand. Prices fell sharply at Masulipatam as the Goa *banians* were no longer interested in large purchases. In 1639—40, Amsterdam wanted some 100,000 to 150,000 florins to be invested in Golconda diamonds and in 1642 diamonds worth 86,143 florins were exported by the Coromandel factories. But a change in the market conditions in Europe soon terminated this short-lived boom.[323]

The demand for diamonds in the European markets revived not long after this slump. But, for a variety of reasons, Batavia now depended more on purchases made at Surat and Succadana than on supplies from the coast. Of a total supply worth 100,000 florins in 1643, the diamonds supplied from Coromandel were worth only 42,000 florins. The mass exodus of labourers from Gingi had affected diamond mining in that area. Besides, the capital at the disposal of the Coromandel factories was required to procure cargo for the more important Persian trade. And, during the years of truce, the Portuguese and *banians* from Goa once more began to purchase large quantities of diamonds in Golconda, which were eventually exported to Europe. Prices went up by 20 % to 25 % in consequence and they returned to their former level only after 1651, when the Portuguese slackened their efforts to procure diamonds. In 1652, Coromandel diamonds once more fetched high profits in Europe and the coast factors were again, after many years, to invest 100,000 florins in this precious stone.[324]

K.A.451, "Remonstrantie" of Franco van der Meer, f.199; K.A.997; Masulipatam to Batavia, 26.6.1625; E.F.I., 1622—23, pp.48, 221, 229, 247; L.T., I., L.M., xv, 18.2.1622, f.192.

323 K.A.767, 14.4.1640, f.126; K.A.768, 3.4.1641, f.75; K.A.1017, 20.10.1632, f.184; K.A.1022, 15.8.1634, f.34vo; K.A.1029, 19.6.1635, f.666; K.A.1031, 28.12.1636, f.62; K.A.1034, 9.12.1637, ff.174—75, 25.5.1637, f.673vo; K.A.1039, 18.12.1639, f.81; K.A.1047, "Verhael etc.," f.423; K.A.1048, 12.12.1642, f.59vo.

324 K.A.772, 8.7.1645, f.301; K.A.779, 23.8.1652, f.561; K.A.1051, 22.12.1643,

The demand for diamonds in Europe, subject to sharp fluctuations, rose steadily in the 'sixties, and those procured in Coromandel sold at a gross profit of 166½ % in 1661—62, while the supplies from Surat fetched not more than 118 % profit, because of the comparatively higher purchase price. But the brisk purchase by the English private traders raised prices to an uneconomic level, and, in view of the shortage of capital, the Company did not buy any diamonds in Coromandel for some years. In 1688, diamonds worth 116,198 florins were again exported to Holland, but the profits were no longer so large owing to bad purchases and it was decided in 1670 to reduce this line of trade to a minimum.[325]

The market for iron nails and steel, exported by the Dutch in small quantities to the Archipelago, appears to have been somewhat limited at least in the initial phase, for the comparatively large supply brought by the ship *Eendracht* in 1608 created a slump and so affected the prices that "profit turned into loss".[326]

Export of these items shared in the general increase in the 'twenties. It seems reasonable to conclude that by this time the Company's knowledge of the market conditions rather than the market itself had undergone a significant expansion. In 1623, 96,000 lbs of iron and 20,000 pieces of steel were shipped; in 1628, 77 *bahars* [1 *bahar* = 480 lbs] of iron were procured. As Japanese iron bars had a good market in the Indies, attempts were made to have the Coromandel bars manufactured after samples from Japan. However, attempts to capture the Sumatra market from the hands of the Asian competitors were not very successful and, by 1626—27, Batavia recommended reduction in the quantity of export, as supplies had exceeded the optimum level.[327]

The export of iron and steel was reduced to a minimum in the 'thirties in view of the very limited demand in the Indies. Iron, in

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f.3vo; K.A.1054, 13.5.1644, ff.603—4; K.A.1056, 3.10.1643, f.796vo; K.A.1074, 24.1.1652, ff.11vo—12; K.A.1086, 14.7.1652, f.499, 16.10.1652, f.516.

325 K.A.789, 14.8.1662, f.343; K.A.792, 21.7.1665, f.296; K.A.795, 9.11.1668, f.791; K.A.797, 31.10.1670, f.710; K.A.798, 29.4.1671, f.412; K.A.1122, 14.8.1660, f.385; K.A.1159, 15.12.1669, f.362.

326 K.A.967, L. Ysaacx' 'Informatie', 1608.

327 K.A.452, Amsterdam to Coromandel, 15.10.1623; K.A.994, Masulipatam to Amsterdam, 4.10.1624; K.A.997, Masulipatam to Batavia, 29.12.1624; K.A.1001, 27.6.1626, ff.81 ff; Coen, VII$_2$, pp.1064, 1215; Coen, II, pp.209, 444; K.A.452, 18.9.1621, f.69, Amsterdam to Coromandel, 15.12.1623; Coen, II, p.447, III, p.74; K.A.451, 19.10.1617, f.126, 18.9.1621, f.70; K.A.999, Pulicat to Batavia, 16.10.1625, Masulipatam to Amsterdam, 8.3.1626.

particular, hardly fetched the cost price. But a good market was soon found in Persia for some varieties of Coromandel steel. In 1634, 6,684 pieces of steel and 9,600 pieces of iron were exported, while the following year the exports were increased to 15,440 pieces of steel and 5,039 pieces of iron. In 1636, Batavia ordered 18,000 to 20,000 pieces of steel.[328] The export of iron and steel appears to have increased by the mid-'fifties.[329]

The export of Coromandel iron, never of any great importance earlier, featured prominently in the Company's trade during the 'sixties. The difficulties of iron supply from Europe during the wars were the chief factor behind the Dutch efforts to procure as much of this metal from the coast as possible. Pig iron, iron bands, iron bars and cannon balls were required in large quantities, not only for the factories in the East Indies and Ceylon, but also for the Company's trade with Arakan and Tonkin. Coromandel iron bars were also exported from Batavia to Manila. The manufacture of these articles was therefore organised on a large scale in several factories under the supervision of Dutch experts, and by 1667 the exports reached a peak.[330] The different varieties yielded 80 % to 100 % gross profits in the East Indies. In 1672, a Swedish expert sent from Batavia taught the Indian blacksmiths a quicker method of manufacturing nails and cannon balls which would quadruple the rate of production. But the local authorities disallowed the introduction of this new method as it might eventually deprive many blacksmiths of their livelihood, — an incident which throws an interesting side-light on the economic policy of the government.[331] The export of steel, except for small quantities shipped to Ceylon and Japan, almost ceased in the 'sixties.

But in 1671, Batavia again placed an order for 20,000 lbs.[332] The

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[328] K.A.758, Batavia to Coromandel, 2.5.1630; K.A.761, 13.2.1635, f.90, 21.7.1636, f.502; K.A.1025, 29.5.1634, f.319; K.A.1029, Ysbrantsz' Daghregister, 1635, f.676vo. As the records do not mention the weights but only the number of pieces, no exact estimate of the volume of iron and steel export is possible.

[329] In 1644, 5,560 lbs of steel were exported to Batavia; in 1657, the exports included 10,109 lbs of steel and 15 *bahars* of iron. See K.A.1059, 5.10.1644, f.281; K.A.1086, 4.3.1657, f.448.

[330] In 1667, 105,000 lbs of iron nails, 188,000 lbs of cannon balls, 189,000 lbs of iron bars and 10,000 lbs of iron bands were exported from Coromandel. See K.A.1152, 6.12.1667, f.151vo.

[331] K.A.789, 22.9.1662, f.525; K.A.795, 20.4.1668, f.178, 9.11.1668, f.786; K.A.801, 19.10.1674, f.501; K.A.1128, 26.12.1662, ff.221—22; K.A.1175, 31.1.1673, ff.308 ff.

[332] K.A.1144, f.1765; K.A.1156, 25.6.1668, f.755vo; K.A.798, 13.11.1671, f.828.

exports from the coast also included a miscellaneous variety of minor items. Cotton yarn from Pulicat, bezoar stones, coir-ropes and sail-cloth were exported from Coromandel as early as 1616, though not in any considerable quantities.[333] The exports to Holland included cotton yarn as also cotton. The quantity of cotton yarn supplied in 1618, we are told, was very small and Amsterdam ordered 5/6,000 *fardels* in 1621. In 1623, 5/600 lbs cotton were ordered as sample. From 1617 onwards, a small quantity of borax was annually exported to Europe, though it fetched very poor prices there; still Coromandel occasionally exported very small quantities of this commodity. 20 seers of borax were sent in 1626, as no other commodity could be secured from some merchants indebted to the Company. Bengal sugar, purchased in Coromandel or at Balasore at about $1^2/_3$ stuiver per pound, fetched a high profit in Europe, specially 1624 onwards, when troubles in Brazil affected an important source of supply. Part of the Bengal sugar exported to Batavia apparently went to Persia even in the 'twenties, — a line of trade which assumed considerable importance later on.[334]

The minor items of export to the Indies included a number of articles required for packing and shipping cargo, e.g., gunny sacks, coir rope etc. Some coir rope was apparently manufactured in the factories and, in 1628, Batavia recommended an increase in production. Large earthen vessels procured from Burma and known as "Martavan" after their place of origin were in great demand for shipping victuals.[335]

In spite of uneconomic prices, the Dutch invested a small amount of capital in Coromandel pepper, in order to prevent the English and the Danes from exporting it to Europe. About 5/6000 *bahars* of pepper were available per annum on the coast, part of which was imported stuff brought by Muslim traders from Achin. Achin pepper cost 18 pagoda per *bahar* (480 lb) at Masulipatam. The main source of local supply was Peta, near Tranquebar, and the price there was as high as 32 rials per *bahar* (460 lb). In 1626, Batavia discouraged further purchases, while recommending efforts to prevent the Danes and the English from securing the commodity.[336] A small quantity of opium was available in Coromandel at very high prices. In view of the great demand in

[333] K.A.973, 29.3.1616, f.178, Resolutions, Pulicat, 22.1.1616, 26.4.1616; *Relations,* p.52; "De Nederlanders in Voor Indië etc." *De Indische Gids,* 1915, p.336.

[334] Coen, III, f.75, V, f.384, VII2, f.1440; K.A.995, Pulicat to Batavia, 6.6.1624; K.A.997, 256.7.1625, ff.123 ff.

[335] Coen, II, pp.214, 447; III, p.75; V, p.381; VII2, pp.1223, 1365.

[336] Coen, II, pp.214, 447.

Batavia, 450 lbs of opium were exported in 1626, but this line of export never attained any considerable proportions.[337] Red wood from Calitura, which the Portuguese used to export very profitably to the Far East, was expected to have a good market in Japan and among the Chinese in Java. In 1619, a quantity was sent for the first time as ballast. This was the beginning of a line of export which became very profitable later on.[338] The exports in this period also included 80,000 roof-tiles shipped in 1624.[339]

Of the minor lines of export trade, the supply of cotton yarn suffered a set-back as the prices went up by 40 % to 80 % during the famine of the early 'thirties and even afterwards the continued high price of cotton affected production.[340] Of the articles required for packing, only small consigments of gunny sacks and Martavan jars could be exported, though these were still in great demand.[341] The other items of export included opium required for the Malabar trade, bezoar stones and buffalo horns. Some of the goats from which bezoar stones were extracted were sent to Holland as curios. Batavia appreciated very much some spotted deer exported from Coromandel and asked for more as presents for the Governor-General and for breeding them in Banda.[342] In 1635, 774 pieces of Calitura wood were sent for Formosa, where there was a growing demand for this item.[343]

The export of skins and leathers also developed in the 'thirties to a certain extent. Ray-skins, available in quantities at San Thomé and further south, had a good market in Japan where fancy articles were manufactured from them. The Portuguese regularly exported them to Macao, and the Indian traders to Siam, whence they were carried by Chinese traders to Japan. The Dutch first exported 1511 pieces in 1635 and they fetched a good profit in Japan. The Company's attempt to buy up the total available supply and thus prevent the Indian mer-

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337 K.A.995, Masulipatam to Batavia, 2.7.1624; K.A.997, Batavia to Coromandel, 26.7.1625, ff.123 ff; D.R., 1624—29, p.239.

338 Coen, VII, p.421.

339 D.R., 1624—29, f.99.

340 K.A.1023, 27.12.1634, f.96; K.A.1025, 20.9.1634, f.329; K.A.1031, 8.10.1636, f.1124.

341 K.A.759, Instructions to Coromandel, 28.6.1633; K.A.762, 17.2.1637; K.A.1025, 20.9.1634, f.329.

342 K.A.760, 13.8.1635, f.490, 29.1.1635, f.275; K.A.764, 11.8.1638, f.373; K.A.767, 31.7.1640, f.392; K.A.1023, 20.2.1634, f.268; K.A.1029, 19.6.1635, f.668; K.A.1037, 14.5.1638, f.218vo; K.A.1039, 6.5.1639, f.1078; K.A.1047, "Verhael etc.," f. 436vo.

343 K.A.1029, 2.11.1635, f.683vo, 19.6.1635, f.668.

chants from exporting the best quality products to Siam, was, however, not successful.[344]

Japan also provided a good market for coloured leather and some red, black and yellow leather were exported from Coromandel. Significantly enough, the Dutch failed to induce the local craftsmen to manufacture green and blue leather, for this was not a part of their traditional craft. Besides these, 292 pairs of shoes for the use of the Company's soldiers and a small quantity of deer-skins and tiger-skins were also exported to Batavia in the 'thirties.[345]

In the 'forties, the growing demand for ray-skins in Japan helped develop a line of export which had a rather feeble beginning earlier. In 1643, 30,000 to 40,000 pieces of ray-skins from San Thomé were ordered for Japan, partly in order to undermine the trade of the Danes who were exporting large quantities to the Far East. The old problem with regard to the ray-skin trade, viz., large supplies by Indian merchants to Siam, which eventually reached Japan, was still very serious as late as 1654.[346] The market for another commodity, Calitura wood, continued to expand in the Far East. In 1643, 1000 to 1500 pieces were ordered for Formosa. But in Batavia itself, the profit on this article was small compared to the shipping space taken up by it. Still, in 1655, Coromandel was asked to send as much as possible as ballast.[347] The export of opium and tobacco, procured in Bengal and Coromandel respectively, for supporting the Malabar pepper trade, also increased in this period. 10,000 lbs of opium were required in 1647, but the Coromandel authorities did not apprehend any shortage. The Golconda authorities at first objected to the export of tobacco and the necessary permission was secured only with difficulty. Tobacco in small quantities was also exported by the Company to Bengal.[348] No significant change in the export of minor items is noticeable in later years. In 1655, we come across an interesting item, viz., 20 donkeys exported to Java for

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344 K.A.760, 13.8.1635, f.486; K.A.761, 13.2.1636, f.81; K.A.765, 28.2.1639, f.118; K.A.1029, 19.6.1635, f.668; K.A.1027, 9.5.1638, f.200vo.

345 K.A.761, 13.2.1636, f.90; K.A.1025, 20.9.1634; f.329; K.A.1031, 25.9.1636, f.1155; K.A.1037, 14.5.1638, f.212vo; K.A.1029, 30.7.1639, f.1094; K.A.1042, 30.5.1640, f.463.

346 K.A.770, 1.4.1643, f.132; K.A.771, 17.4.1644, f.136; K.A.1094, 15.9.1656, f.450vo.

347 K.A.770, 11.6.1643, f.381; K.A.782, 1.7.1655, ff.320—21; K.A.783, 26.3.1656, f.112; K.A.1102, 13.9.1655, f.117vo.

348 K.A.774, 27.7.1647, f.380; K.A.1064 (*vervolg*), 2.8.1647, ff.683 ff; K.A.1066, 14 10.1648, f.447vo, 5.10.1647, f.520vo.

purposes of cultivation.[349] In the 'eighties when a shrinking market for the Company's exports severely affected the trade of the coast factories, the minor items were among the first to feel the blow.

As the Bengal factories were under the Coromandel "government" for a number of years one may briefly discuss here some items of export from Bengal which soon acquired great importance in the Company's trade. From 1634 onward, the volume of Dutch trade with Bengal increased steadily. The capital employed in this trade in 1634 was only about 54,600 florins while as much as 113,381 florins were invested in 1639. The volume of Dutch exports from Bengal may be gauged from the fact that the return cargo in 1639—40 was valued at 95,643 florins. Even in 1636, a much-troubled year, the Company made a profit of more than 26,000 florins in Bengal.

Sugar, refined saltpetre, rice, cloth, ginger and raw silk were the main items exported by the Dutch from Bengal, while quantities of Gingelly oil, white cummins, wheat, butter, beeswax and lac were also shipped from time to time. Bengal sugar was eventually exported to Persia and Europe, and the saltpetre used for the manufacture of gunpowder on the coast. Dried ginger and silk from Bengal rendered very good profit in Europe, and 338¼ lbs of Bengal silk sent as samples to Japan in 1640 marked the beginning of a very important line of trade. Slaves constituted an important, but irregular item of export: only 19 were secured in 1640, but as many as 314 in 1642.

The major change in the pattern of export trade in the 'forties so far as the Coromandel government was concerned, was in connection with two products of Bengal, silk and sugar. The export of Bengal silk to both Holland and Japan had started in the preceding decade, but its volume was insignificant. By 1649, the quantity exported in an average year was as much as 60,000 to 70,000 lbs; and by 1654, the average annual investment in Bengal silk was about 250,000 florins. While the profits on Bengal silk in Holland remained consistently high, they never reached the same level as in Japan, where the average rate of profit was about 100 % and could be as high as 200 % in an exceptionally good year. Despite a slump in the Japanese market in 1650, it was decided to reserve the bulk of the silk supplies from Bengal for Japan, because the profits there were still higher than in Holland. Besides, it was now the accepted policy of both Amsterdam and Batavia to give first priority to the Company's inter-Asian trade, so that the profits

349 K.A.782, 16.4.1655, f.152.

therefrom could eventually cover the cost of the return cargo to Europe without any capital supply from Europe. The fact that the Northern Indian merchants transported Bengal silk overland to Surat via Agra at great expense and still made large profits, induced the Coromandel government to send some of their supplies to Surat by sea in 1646—47. But this experiment was soon abandoned as the profits secured were a mere 13½ %, despite the lower cost of transport. The higher profits of the Indian merchants were ascribed to their direct contact with the manufacturers. The Company's subsequent attempt to eliminate the middlemen in their dealings with producers of silk does not appear to have been a great success.

The volume of sugar export, mainly for the Persian market, also underwent an enormous increase in the 'forties. In 1644—45 and 1648, the destruction of the sugar-cane crop by heavy floods caused a slump in the supplies. In a normal year, the average shipment to Persia was between 400,000 to 450,000 lbs, and some sugar was also regularly exported to Mokha, Ceylon, Batavia and Holland.

The enormous increase in the volume of export from the coast in the 'forties and 'fifties is only partly explained by the increase in the export of coast cloth. A substantial proportion of this increase refers to silk, sugar and saltpetre from Bengal, and altogether this Mughal province now featured very prominently in the pattern of the Company's trade. The Dutch investment in Bengal rose steadily from 117,407 florins in 1643—44 to 451,441 florins in 1648 and to as much as 635,462 florins in 1653. Thus in 1653 the capital invested was more than five times the amount invested in 1643. The total volume of the return cargo for Batavia, Persia and other regions in 1653 was valued at 492,120 florins which, too, indicates an increase of more than 400 % as compared with the figures for 1639—40. The gross profits in Bengal varied considerably from year to year, as they were very much dependent on governmental policy and other extraneous factors. In 1649, the profits fell to a mere 22,802 florins, while in a good year, like 1651, they could be as high as 107,775 florins.[350]

The evailable quantitative data regarding the items of export from the factories under the Coromandel government prove one point beyond doubt: the volume of export all along the line was expanding steadily during the seventeenth century, — until the mid-'eighties, — so far as

[350] The references for these statistical data are the same as those for the Company's activities in Bengal in this period mentioned in Chapter III, *supra.*

the Dutch Company was concerned. If this was particularly true of the main item of export, textiles, the rate of expansion, though not the absolute volume of export, of less important items, was hardly less spectacular. In the later years of the century, as the ascendancy in Coromandel's export trade passed from the Dutch to a Company much better provided with capital, and the participation of local merchants in this trade also increased substantially, it is reasonable to assume that the upward trend in the volume of export was maintained. Since there is nothing to indicate that the expansion of export was achieved at the cost of the producers' standard of consumption, or of supplies to the internal markets, or through a marked increase in population, the conclusion that there was an absolute as well as a per capita increase in production in the regions supplying the staples of export seems equally valid.

It is a significant fact that the upward trend in exports persisted through the years when there was a dislocation of production in extensive parts of the country. To assume that the volume of production continued to increase in the parts directly affected by war and famine would be obviously incorrect. One is left to conclude that in response to the steadily expanding demand created by the European investments, a region, comparatively insulated from the effects of anarchic conditions, producing both raw material and finished products, had developed around the centres of export. The increasing production in such areas was capable of compensating, — no doubt only partially, — the loss of production in others in times of anarchy. The coastal regions were by no means free from the ravages of war and the attendant evils. But there, as the tide of war receded, the dislocated machinery of production was quickly set right by adequate investments of capital, — an advantage which the inland areas did not enjoy equally. Whatever the magnitude of increase in production in the context of the Indian economy as a whole, its qualitative significance is indeed considerable.

The qualitative significance consists particularly in the fact that the existing machinery of production, despite the incongenial institutional framework, was capable of sustaining an expansion in production, given adequate capital investment. Besides, the European Companies' procurement of the return cargo involved certain changes in the organisation of production to a quantitatively limited extent. The impact of European merchant capital implied in effect a penetration of capital into production, both directly and indirectly. The putting out system was now developed to a considerable extent. Inducements were offered to the

cultivators for the production of cash crops for an export market. In some cases, the production of indigo was so exclusively dependent on the export market that in the absence of the external demand for a few successive years, the producer changed over to the cultivation of some other crop. Under the control of the Companies' own factories, production or processing of certain items was organised on the basis of wage labour, and new techniques were introduced. As a matter of fact, in a limited sector of the economy, new production relations were emerging. The development of a production organisation, oriented to the market, and not at all based on production for use, was one of the outstanding facts in the new situation. Coromandel's export trade was by no means primarily dependent on the surplus from the self-sufficient villages. These developments, we know, did not lead to a spectacular expansion of production under the control of merchant capital, as was the case in early modern Europe. The failure of the local merchants to invest in production, the limited penetration of European capital, the eventual establishment of monopsonistic control, — all these factors probably contributed to the negative result. Their relative importance is a question which needs further investigation.

CHAPTER IX

THE IMPORT TRADE

If in the economy of the Coromandel coast in the seventeenth century, the one outstanding feature was the expansion of the export trade and consequently of production, a corresponding increase in imports was one of the results of that development. The increase in imports, however, primarily meant an increasing flow of cash specie, because the commodity market for imports does not appear to have undergone any substantial expansion.

For the Dutch, interested only to a very limited extent in the profits of the import trade on the coast, the imports were significant chiefly as investments. Their worry about the limited commodity market derived mainly from their inability to supply adequate quantities of cash specie and bullion, the items chiefly in demand. The profit and loss on the sale of the Company's wares in the coast factories were important only in so far as they increased or decreased the available supply of capital for the procurement of the return cargo. And in their eagerness to increase this supply, they imported, often experimentally, every likely item from the different countries of Asia and occasionally also from Europe.

Since increasing the supply of capital was the Company's main object in the import trade, a relevant phenomenon was the expenditure on the maintenance of the coast factories. The tendency of the establishment cost to increase steadily was among the Company's major problems and eventually a contributory factor in its decline.

The volume of imports, including specie, bullion and merchandise, — in other words the Company's investment in Coromandel, — was not considerable during the early years of Dutch activities on the coast. Silver rials, popularised by the Portuguese throughout Asia, then constituted the bulk of the Dutch imports to Coromandel. For the rest, they imported spices, — mace, cloves and nutmeg, — sandal wood, eagle wood, tin, spelter, alum, some Chinese wares like porcelain and fancy clothes etc. procured from different parts of south-east Asia, besides a

quantity of lead and some types of cloth from Holland.[351] It is not possible to form any precise idea regarding the exact quantities of merchandise imported by the Company in the first and second decades of the century. The silence of the records, however, suggests that initially they were too small even to cause any slump in the very limited commodity markets, a phenomenon encountered as early as 1616—17.[352] An increase in the volume of imports dictated by the requirements of the growing export trade took place by the 'twenties. As the demand for imported commodities was limited and highly inflexible, this increase consisted mainly in a larger supply of coins and precious metals, which too was subject to severe limitations. In Java, only small quantities of gold were available at very high prices. Japan supplied a quantity of silver. But, for the bulk of their requirements, the Coromandel factories were dependent on Holland. The Dutch, though by no means free from mercantilist inhibitions, were fortunately not "so curious to forbid exportation of money as the English".

In the context of the poverty of the masses, the volume and variety of demand for imports was not insignificant in Coromandel. This demand, however, was adequately met in the past by the Asian and Portuguese merchants trading with various parts of Asia. As the total demand apparently had not increased, the arrival of the Dutch and the English with their fresh imports caused a slump in the market.[353] The monopolistic policy of the Dutch in relation to their competitors can be partly explained in the light of this fact, though the tendency was built into the Mercantilist system itself.

By the 'twenties, however, the Dutch had succeeded in securing a

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[351] K.A.967, L. Ysaacx's "Informatie", "Memorie" of l'Hermite, Bantam, 15.10.1609, Bourgonje and Marcelis to Ysaacx, 3.3.1610, Bantam Council to van Wesick, 13.12.1610.

[352] A document, probably dated 1614, gives the following list of commodities as being necessary for the Company's trade in Coromandel in an average year, but the available data regarding the import of capital in this period definitely suggest that only a fraction of this total requirement was actually imported by the Dutch:
100 *candi* (1 *candi* = 500 lb) cloves, 500 *sokel* (1 *sokel* = 154 lb) mace, 200 *candi* nutmeg, 6000 packs of Bantam pepper, 150 *candi* sandal wood, 4 *candi* China silk, 200 *candi* Achin sulphur, 20 *candi* eagle-wood, 80 *candi* benzoin, 300 *candi* tin, 300 *candi* spelter, 200 *candi* lead, 200 *candi* alum, 10,000 lb gun-powder, 2 *candi* quicksilver, 2 *candi* vermilion, 100 lb musk, 50 lb camphor, besides a quantity of porcelain, gold yarn, crystal glasses, clock-works, pistols, muskets, pearls and coral. See K.A.968, "Generale memorie van de coopmanschappen etc.", ff.140—41.

[353] K.A.451, 'Remonstrantie' of Franco van der Meer, 12.4.1617, f.201.

comparatively wider market for their imports, including bullion. The gross profits on the sales of the Company's wares in Coromandel rose from about 132,000 florins in 1625 to 225,000 florins in 1628, while the expenditure on the coast factories rose from 50,000 to 60,000 florins during the same period. Two alternative explanations of this development are possible. The Dutch, by undercutting prices, might have succeeded in capturing a considerable portion of the existing market. Since, however, they actually suffered a handicap in competition with their rivals so far as prices were concerned throughout their commercial career on the coast, this seems to be an unlikely explanation. It is more probable that the market for imports, particularly specie, continued to expand, so that the inercase in Dutch imports need not have been achieved at the cost of their rivals. One is, therefore, left to conclude that with better acquaintance with the market, the Company succeeded in exploiting a demand that had remained partly unsatisfied earlier and was now increasing. The investment of European merchant capital on the coast stimulated commercial activity and production. The consequent expansion in demand was chiefly concentrated in the bullion market where the main purchasers were the Indian merchants and middlemen who had profited directly or indirectly from the European trade.

The annual profits on the coast continued to increase in the 'thirties and early 'forties, though the inclusion in the Coromandel accounts of the profits made in Bengal and Pegu made them appear bigger than they were. In 1637—38, for instance, of the total gross profit of 285,000 florins, Pegu and Bengal provided 48,561 and 13,115 florins respectively. Insecure political conditions still at times adversely affected the demand for merchandise, resulting in a sudden fall in profit as in 1638—39 and 1641—42. The total volume of expenditure for the Coromandel government rose by some 33 % owing to the establishment of the factories in Burma and Bengal.

The import market appears to have been subject to sharp fluctuations from time to time, and even the much sought bullion and specie were not immune from their effects. The poor demand for the Company's wares and the heavy losses on silver resulted in a steady decline in the profits of the Coromandel factories during the late 'forties which was in strange contrast to the buoyant export trade.[354] During 1647 to 1649, the coast factories actually suffered some loss on the sale of their wares, and though the conditions improved after the famine ended in 1650, it

[354] See *infra*, Appendix B.

was not always possible to make any profit because of the low price of silver and, after 1655, also of gold. But now, as before, the Company was ready to ignore the inadequate returns from the sale of its wares on the coast, in view of the supreme importance of the return cargo from Coromandel.[355]

In the 'sixties and early 'seventies, the demand for commodities in general suffered a decline owing to the fiscal policy of the Golconda government in the north, and the wars and famine in the south. But the new factory established in Golconda provided a passage to the north Indian markets for the Company's wares, — except during the years when the approach of the Mughal army blocked the normal trade routes, — and thus helped ease the situation.[356]

After the opening of the Golconda factory, the total demand for commodities returned to the level of the 'fifties.[357] The gross profits on some items were still very high. In 1660, vermilion and quicksilver sold at a profit of 79½ % and 112⅓ % respectively. But the attempt of the authorities in Holland to fix a minimum price for some commodities, spices in particular, often created difficulties. In 1673, Batavia had to permit a reduction of 10 % to 12 % in the price of spices in order to revive the demand.[358]

The Company's chief imports, bullion and cash specie were procured from a variety of sources. The bulk of the specie imported from Holland consisted of silver rials. From 1616 onwards, a progressive decline in the price of rials throughout Coromandel seriously threatened the finances of the Company. The rials, valued at 48 stuivers, formerly sold at 10 to 11¼ % *fanums* each. In 1616—17 the price fell to 8½/9½ *fanums*;

355 K.A.1062, 15.1.1647, f.11; K.A.1064, 31.12.1647, f.70vo; K.A.1066, 18.1.1649, f.92; K.A.1072, 10.12.1650, f.57; K.A.1110, 17.12.1657, f.46vo; K.A.1111, 16.1.1658, ff.40—40vo.

356 K.A.1122, 29.7.1661, f.722vo; K.A.1123, 10.1.1660, f.70vo; K.A.1124, 22.12.1661, f.112; K.A.1152, 5.10.1667, f.56.

357 The orders from Coromandel to Batavia for the supply of merchandise in 1667 and 1669 were as follows:
1667: 400,000 lb Japanese copper, 100,000 lb Malacca tin, 50.000 lb lead, 8,000 lb vermilion, 4,000 lb quicksilver, 10,000 lb alum, 40,000 lb cloves and 2,000 lb sandalwood.
1669: 300,000 lb Japanese copper, 120,000 lb Malacca tin, 50,000 lb spelter, 30,000 lb lead, 2,000 lb quicksilver, 1,000 lb sandalwood, 4,000 lb eagle wood, 2,000 lb tortoise shell, 20 *sockel* mace, 8,000 lb nutmeg, 20,000 lb cloves, 100 black hats for Pegu, 1,100 mirrors, 1,000 pieces of Japanese porcelain, 72 pieces of European cloth and some stationery etc. for the factories, See K.A.1155, 10.2.1667, f.368; K.A.1160, 1.2.1669 f.433.

358 K.A.1119, 16.12.1659, f.47vo; K.A.1122, 26.1.1661, f.433; 19.1.1661, f.418vo; K.A.797, 14.7.1670, f.423; K.A.800, 27.7.1673, f.633.

by 1626, it came down to 7½ *fanums*, eventually reaching some sort of an equilibrium at 9 *fanums* in 1627. In the Pulicat region conditions were worse than elsewhere, and even in 1628, a rial fetched no more than 7½ *fanums* there.

A change in the relative value of gold and silver and the poor quality of its alloy probably explain the fall in the price of this specie. To make matters worse, the rials, no longer accepted by traders, had to be first exchanged for pagodas before any investment could be undertaken. The pagoda was valued at 90 stuiver, but under these circumstances, it actually cost much more, and the loss on rials varied from 10 % to 20 %. The consequent repercussions on the price of cloth were very serious indeed.

The one variety of specie which was acceptable and rendered profit throughout Coromandel during these years was the Hungarian ducat, probably because of the high quality of its alloy and its comparatively low cost price. For all foreign coins were valued in Coromandel strictly according to their metallic content. In 1627, 114,000 Hungarian ducats were imported and these were accepted by the Company's middlemen at the rate of 15½ to 16 *fanums* each, while in the open market they at times fetched as much as 20 fanums.[359]

To cut the loss on rials, the Coromandel factors asked for larger supplies of gold, which was expected to render profit. But the high hopes entertained in 1617, — viz., 20 % profit on unminted gold, — proved to be unjustified. Between 1620 and 1623, the profits on gold varied from 3 % to 4 % at Pulicat and were somewhat less at Masulipatam. But from 1623—24, there was a sudden change in this respect. At Pulicat that year the profit on guinea gold rose to 6 % or even 7 % and on other varieties to 5 % or even 5½ %. By 1626, Pulicat yielded 11 % to 12 % profit on gold. But throughout this period, there was a steady loss on gold as well as Japanese silver at Masulipatam. The scarcity of foodstuff in the Golconda region in the late 'twenties led people to disgorge their hordes of precious metals, creating a situation comparable to inflationary condition, in so far as it led to a fall in the value of the media of exchange. Besides, while in normal times, these metals were better distributed, now a few big financiers were able to corner them

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[359] Coen, I, pp.237, 283, 296, 611, 781, 796; VII, pp.236, 243, 359, 470; VII$_2$, pp.1174, 1176, 1185, 1215: K.A.994, 27.1.1625, f.138vo; K.A.995, Pulicat to Batavia, 28.1.1624; K.A.997, Pulicat to Batavia, 14.6.1625, Masulipatam to Batavia, 26.6.1625; K.A.998, 3.2.1626; K.A.1012, 4.12.1630, f.132vo.

buying them up cheap and then, as the only buyers in the market, could dictate prices to the European importers. All these facts, however, point to an important conclusion, viz., that the demand for precious metals was neither uniform throughout India nor in any way unlimited. While the sharp fluctuations in their prices were caused largely by exceptional circumstances and artificial manoeuverings, they were almost certainly related in some measure to the increased volume of supply, and the limitations of the existing market.

The nature of the import trade remained relatively unchanged in the 'thirties. Only, as compared to the earlier periods, a larger proportion of the capital was now provided by the Asian factories and Coromandel was no longer primarily dependent on Holland for the supply of capital. Silver ducats and *abbasis* from Persia, Chinese gold from Formosa and Batavia, bar silver, *taels* and gold *coubangs* from Japan and gold from Siam and the west coast of Sumatra constituted, in ever increasing proportion, a substantial part of the Company's imports to Coromandel.

The low price of gold and silver, which had characterised the late 'twenties, continued to embarass the Company in the subsequent decaded. The exact mechanism of these price fluctuations is not clear. But the fact that the price of the *pagoda*, the legal tender, was artifically fixed at a high level in Golconda, while that of the imported specie and precious metals rose and fell, often in proportion to the volume of supply, was largely responsible for the situation. In 1630 the *pagoda*, officially valued by the Company at 90 stuivers, actually cost more than 100. Silver and silver coins were the most affected by fluctuations in price and could be sold only at a loss till 1639. There was a temporary improvement during 1639—42, when some varieties of silver and silver specie actually yielded a profit. But by the end of 1642, the decline in prices had again set in. The Company's general policy was to ignore the loss on silver, so long as it helped procure the all-important return cargo. Part of silver supply was diverted to Bengal where there was a good demand for it.

The position with regard to gold and gold coins was somewhat different. These were the only commodities almost universally in demand, though the prices varied considerably from region to region and were subject to fluctuations. While in the Golconda kingdom the prices were lower and generally led to losses, in the south, the Company could sell gold at a profit. The price of the different varieties of gold depended on the quality of their alloy, but the rate of profit or loss, of course,

was dependent on the purchase price. Thus though Siamese gold, being finer, fetched somewhat higher prices, it was comparatively less profitable, because the purchase price was also very high. The Chinese gold purchased in Formosa rendered most profit, but its price fell after-1639 with a deterioration in the quality of its alloy.[360]

The crippling effects of war and famine on the demand for the Company's wares modified to some extent the nature of Dutch imports to the coast. By the mid-'forties bullion and cash specie accounted for an even larger proportion of the total volume of imports than before.[361]

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[360] The available data regarding the profit and loss on coins and previous metals in the 'thirties and 'forties are as follows:
Price of rials fell to $7\frac{1}{2}$ *fanums* each at Masulipatam in 1631. Japanese silver *taels*, valued at 70 stuivers each, gave a loss of $10\frac{1}{2}$ % to 12 % at Masulipatam and $6\frac{1}{4}$ % at Pulicat in 1640, but towards the end of the same year rendered a profit of $4\frac{1}{2}$ % at Pulicat and $9\frac{1}{2}$ % loss at Masulipatam. By 1642, the profits rose to $6\frac{13}{20}$ % at Pulicat and a little less at Masulipatam. *Abbasis* rendered a loss of 18 % and Persian ducats of 22 % at about the same time. Towards the end of 1642 silver again sold at a loss of $9\frac{25}{32}$ % at Masulipatam and prices fell by 10 % in the south.
In 1630, some articles of gold, melted and converted into *pagodas*, rendered a loss of $2\frac{1}{2}$ % to 3 % at Masulipatam. In 1634, a mark of 24 carat gold fetched $65\frac{3}{4}$ *pagodas* (1 Masulipatam *pagoda* = 90 stuivers) at Masulipatam and $82\frac{1}{4}$ *pagodas* (1 Pulicat pagoda = 84 stuivers) at Pulicat. Chinese gold, purchased at Batavia, rendered a profit of 3 % to 8 % at Pulicat during 1636—39, and a loss of 20 % to 22 % at Masulipatam in 1639. Chinese gold from Formosa sold at a profit of $35\frac{5}{8}$ % to 38 % at Pulicat and of 11 % to 15 % at Masulipatam during 1636—39. Later, the profits at Pulicat dropped to 25 % in 1641 and to 8 % in 1642, while at Masulipatam there was a $5\frac{21}{32}$ % loss in the latter year. Japanese gold *coubangs* fetched a profit of 3 % to 8 % at Pulicat in 1640—41, but their supply was soon stopped for some years because of a decline in the Company's trade in Japan.
For the prices of coins and metals, see K.A.767, 31.7.1640, f.390; K.A.768, 28.5.1641, f.178, 9.8.1641, f.324; K.A.769, 31.5.1642, ff.286—87; K.A.1015, 3.2.1631, f.130vo; 12.7.1631, f.136; K.A.1012, 4.12.1630, f.132; K.A.1025, 29.5.1634, ff.315vo, 316; K.A.1031, 28.12.1636, f.62, 2.7.1636, f.1112; K.A.1034, 10.2.1637, f.622; K.A.1029, 18.12.1639, ff.71—71vo, 30.9.1639, f.973, 6.5.1639, f.1078, 30.7.1639, ff.1091; K.A.1042, 5.4.1640, f.436, 10.3.1640, f.444vo, 19.5.1640, f.454, 14.4.1640, f.457vo, 30.5.1640, ff.460, 463; K.A.1044, 3.10.1641, ff.269 ff, 25.8.1640, ff.292 ff; K.A.1047, 4.10.1642, ff.706—706vo; K.A.1048, 12.12.1642, ff.58vo—59.

[361] In 1643, bullion and specie worth 1,377,000 florins were imported to Coromandel, while the value of the merchandise imported that year was a little over 228,000 florins; the proportion of merchandise imported in 1644 was considered too negligible to be mentioned specifically. The situation in this respect does not appear to have changed radically during the years that followed. From the Far East in particular almost the entire supply consisted of bullion and cash specie.

Generally, the Company tried to supply the cash and bullion requirements of the Coromandel government in gold as far as practicable. But as silver was more easily procurable, Batavia was forced to provide the capital for the coast mainly in silver from time to time, — for instance in 1646 and again during 1655—57. For Bengal, however, it was found necessary to provide almost the entire cash capital in silver, as there was little demand for gold. The bulk of the cash capital now came from the Asian factories, the supply from Europe mainly consisting of rials. Japanese silver bars, Persian *abbasis* and gold ducats, Chinese and Formosan gold, as also gold procured in Java, Malacca, Laos and Indragiri, now constituted the staple of the Dutch imports to Coromandel. In the 'fifties, in order to find some employment for the capital lying idle in Pegu, gold and silver were procured from that country as well, though it occasionally meant heavy loss for the Company. After 1652, part of the capital sent to Surat was at times transferred to Golconda through bills of exchange payable in rials. The heavy loss on silver and a comparative shortage in gold supply from China and Formosa during 1655 to 1657 led to an increased demand for gold from Holland, but this was essentially a temporary phase.

The price of precious metals declined steadily in Coromandel almost till the very end of the 'fifties. In the opinion of the coast factors, this tendency was mainly a result of the artificial market conditions created by the nobles interested in commerce, who hampered the free sale of the Company's wares and thus forced the Dutch to import increasing quantities of bullion and cash specie with adverse effects on their prices. The worst effects were felt in connection with silver coins. The demand for silver in Golconda was very poor because the government had stopped minting silver coins except for a small quantity required as tribute for the Mughal emperor. The price of the metal was in sharp decline throughout the coast owing partly to the large supplies of rials brought by the English. The loss on Persian silver coins was indeed so heavy that at one stage it outbalanced the profit on the sale of Coromandel cloth at Gombroon. By 1655, the silver distributed among the Company's middlemen could not be disposed of even at a loss of 8 % or 9 %. There was a revival in the demand for silver in Golconda after 1656, when the minting of silver coins was resumed to cover the increased tribute payable to the Mughal. But in 1658, Qutb Shah tried to impose a monopoly on the purchase of silver and was dissuaded only by the Company's threat to close the Masulipatam factory. As a result of the increased demand in that year the Dutch actually made a profit on

silver in Golconda after a long time, but their stock at Pulicat still could not be disposed of. In Bengal, on the other hand, the position was very different. Japanese silver bars, minted into rupees, gave a high profit there, while rials fetched a slightly lower rate of profit.

The declining profits on gold in Coromandel was attributed partly to the increasing purchase price in the Asian markets and the deterioration in the quality of the alloy. By 1652, nearly all varieties of gold sold at a loss throughout the coast. The decision taken in 1652 to fix the value of the rial at 51 stuivers, i.e., 3 stuivers more than the previous rate, showed an adverse effect on the price of gold in the accounts of the coast factories. The cost price, estimated in rials, now appeared higher than before in terms of florins, the value of which remained unaltered. But the sale price on the coast was estimated first in *pagodas* and later computed into florins. The loss on the sale of gold, as estimated by the Company, thus assumed a slightly exaggerated character.

A new danger which later became far more serious was the artificially high price of old *pagodas* in Golconda in relation to the Pulicat *pagodas* and new Golconda *pagodas*. The preposterous demand that all dues to the government must be paid in *pagodas* minted in previous reigns, the quantity of which was naturally limited, was at the root of the trouble.[362] Though the intrinsic value of the Pulicat *pagodas* was 2 % higher than the old *pagodas*, in Golconda the former rendered a loss of 17 % to 30 % when exchanged for the latter; and, by 1649, 100 old *pagodas* cost 130 new, which resulted in heavy losses, as part of the Golconda trade could be carried on only with old *pagodas*.[363]

The position with regard to imports improved to some extent by the 'sixties, because gold once more sold at a profit. This was partly owing

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[362] For a more detailed explanation of this policy and its consequences, see *supra*, Chs. III and IV.

[363] The following data are available regarding the profit and loss on bullion and cash specie during 1643—58;

By 1647, Japanese silver bars and rials were sold at a loss of 6 % to 7 % at Pulicat, and 15 % in Golconda. In 1656, the loss dwindled to 2 %. Pegu silver sold at a loss of 30 % to 32 % in 1653. The loss on *abbasis* was 4 % to 5 % in 1656, and 9 % to 10 % in 1657 (in Pulicat). In 1658, silver gave a profit of 32½ % in Golconda.

On Chinese gold, there was a profit of 21 % to 30 % in 1643; it came down to 6 % to 9½ % in 1648 and a mere 1/16 % in 1653. In 1652, there was a loss of $13^{1}/_{5}$ % on gold procured at Batavia; in 1656 the loss on this variety amounted to $35^{11}/_{16}$ %. The loss on Laos gold was 12½ % in 1643, and on Persian gold ducats 5½ % in 1644 and 1656. The loss on gold from Holland was 7 % in 1655 and 2 % the following year. Gold

to the fact that the Mughal emperor wanted his tribute to be paid in gold *pagodas*, which immediately created a demand for gold. The new valuation of the *pagoda* in relation to the florin also showed an increase in profits in the Company's account, for the sale price as computed into florins now appeared to be comparatively higher. Some gold coins, like Persian ducats, and Pegu gold, however, continued to sell at a loss for some years. But, by 1667, the average profit on different varieties of gold was as high as 13½ %. In 1669, some varieties procured in Batavia sold at a profit of 59 % while the profit on Japanese *coubangs* was also over 35 %. Only the gold from Macassar caused a loss of over 40 % in 1672 owing to poor purchases, and special measures were taken to stop any repetition of such mistakes. Supplies from Sumatra, Tonkin and Europe had to be increased during the period when imports from the Far East were affected by disturbances in China, though some *coubangs* were smuggled from Japan even at that time. To improve the procurement of gold *pagodas*, Coromandel traders were allowed to pay on the coast the price of elephants purchased in Ceylon, equivalent amounts being deducted by the Ceylon authorities from the silver imported from Persia. The problem of gold supply for the coast was more or less solved when Japan permitted unlimited export of the metal in 1668, especially because the *coubangs* could be easily minted into *pagodas*, as their metallic content was nearly the same.

The demand for silver, which sold at 7 % profit in Masulipatam in 1659, again suffered a decline after the Mughal emperor wanted his revenue in gold coins, and the minting of silver rupees in Golconda was nearly stopped. The demand for silver in the south continued to be as poor as before. The policy of accepting payments in silver for the Company's wares and procuring bills of exchange from Surat payable in

from Pegu rendered a loss of 3 % in 1657 and 9 % in 1658. Manilla gold, purchased at Batavia and Macassar, sold at a loss of $15^1/_8$ % in 1652 and $12^7/_8$ % in 1657.

For the import of bullion and cash specie during the period, see K.A.772, 17.4.1644, ff.141—42; K.A.783, 26.3.1656, f.116; K.A.1051, 22.12.1643, ff.36, 59vo; K.A.1054, 23.12.1644, f.543; K.A.1056, 3.4.1643, ff.765, 770, 9.7.1643, f.783; K.A.1058, 17.12.1645, f.39vo, "Verhael enz.", ff.212vo, 214, 220vo; K.A.1062, (*vervolg*), 28.2.1646, f.803; K.A.1064 (*vervolg*), 2.8.1647, ff.679 ff; K.A.1066, 18.1.1649, ff.85vo, 91, 14.10.1648, f.452, 3.3.1648, f.489vo, 5.10.1647, ff.516 ff; K.A.1068, 31.12.1649, f.57vo; K.A.1071, 11.12.1649, ff.273vo ff; K.A.1086, 8.6.1652, ff.475, 476vo, 14.7.1652, f.493; K.A.1091, 5.2.1653, ff.262vo, 265vo; K.A.1094, 20.6.1654, f.430vo, 15.9.1654, ff.436 ff; K.A.1099, 7.1.1654, f.73vo; K.A.1100, 24.12.1655, f.83, 7.6.1655, ff.339vo—40; K.A.1104, 6.5.1656, f.234; K.A.1110, 17.12.1657, f.46; K.A.1115, 14.12.1658, f.74; K.A.1117, 31.7.1658, f.65vo.

rupees, which were then exported to Bengal, was partly prompted by the intention to revive the demand for silver bullion and specie in Golconda. But as the Company had to pay for their purchases partly in silver, owing to the inadequate supply of gold, the expected results were not achieved. With the increase in the supply of gold and the prohibition of silver export from Japan, the Coromandel factories invested part of their gold bullion in silver for export to Bengal. But this was not continued on any large scale after 1668 when rupees became scarce in Golconda and gold became acceptable in the Bengal market as a medium of exchange.[364]

The demand for silver had definitely revived by the mid-'seventies in Golconda where some rixdollars yielded 37% profit in 1678. But this was due to a purely fortuitous circumstance, viz., the fact that the king of Golconda had to pay a heavy tribute to the Mughal emperor in silver coins. Though the coast factors took a rather cynical view of the prospects of steady profit on silver, they made the best of their opportunity while the boom lasted. In fact, later, the proximity of the Mughal army, paid in silver coins, gave a certain stability to the demand for silver in Golconda and this proved very convenient for the Dutch as export of silver from Japan was permitted once again.[365]

The history of Dutch bullion and specie import to the coast underlines two related facts: the flexibility of demand for these items and the close link between this market and the state policy with regard to coinage. The effective demand for the precious metals was to a large extent equivalent to the state demand for the purposes of minting and the metal preferred by the state at any given moment enjoyed a booming market. It is also significant that the increasing volume of bullion and specie import does not appear to have had any serious effect on the general price level, but mainly affected the price of the precious metals themselves. We do not have on the coast a price revolution of the European variety. Despite the growth of the export trade, the degree of monetisation must have been extremely limited.

In the list of merchandise imported by the Dutch to the coast, spices

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[364] K.A.790, 3.5.1663, f.91; K.A.791, 11.4.1664, f.32vo, 21.7.1664, ff.261 ff, 3.9.1664, f.335vo; K.A.795, 13.7.1668, f.411; K.A.796, 24.4.69, ff.307 ff; K.A.798, 24.6.1771, f.411; K.A.799, 16.4.1672, f.257, 3.12.1672, f.1012; K.A.1119, 16.12.1659, ff.47 ff; K.A.1122, 26.1.1661, f.430vo; K.A.1124, 29.11.1661, ff.157vo—58; K.A.1132, 12.1.1664, f.765; K.A.1156, 16.2.1669, ff.898—9; K.A.1160, 1.2.1669, f.429vo, 28.6.1669, f.471vo.

[365] K.A.1222, 10.11.1678, f.547, 7.3.1678, f.560vo; K.A.1273, 16.1.1683, f.33.

were the chief item for a long time. According to their estimate, in the 'twenties, Coromandel could annually consume spices worth about 180,000 to 200,000 florins. In terms of weight, this came to about 70/80 *bahar* cloves, 100 *bahar* nutmegs, 50 *bahar* mace, a quantity of pepper as also some benzoin. The last item, however was mostly re-exported by Muslim merchants to Mokha. The above figures, compared to those for the preceding decade, indicate a shrinking market for the Dutch spice imports. Import of pepper by the Indian merchants from Achin and Queda, and of various spices from Amboina and Macassar by the English and the Danes, were the chief obstacles to the Dutch spice trade in Coromandel. Specially, the low prices at which the Danes offered their wares at times seriously embarrassed the Company. The demand for spices being more or less inflexible, the prices reacted violently to extreme scarcity of supply. Following the Dutch withdrawal from Masulipatam in 1619, the price of nutmeg went up to 5 pagoda per *man*, i.e., by more than 100 %. In their spice trade with Coromandel, the Dutch had to be specially careful on two points. First, they had to avoid offering prices so low that their European competitors might buy up the imports and profitably re-export them to Europe. Secondly, as a large part of the spices sold at Wingurla and Surat and in Coromandel eventually went to Northern India via Burhanpur, large supplies of the same varieties to both regions had to be avoided,[366] otherwise the sales in one place affected the demand in others.

The demand for the Company's merchandise suffered a general decline in the 'thirties as a result of wars, famine and large supplies brought by the other European companies and Asian merchants. The Company imported only small quantities of spices to Coromandel in the early 'thirties in order to revive the demand. Still, the excessive supply of cloves by the Danes from Macassar kept the price as low as 30 stuivers per pound. As price-cutting ran counter to the Company's general policy of not selling spices very cheaply for reasons already explained, the Coromandel factories were burdened with 107,00 lbs of unsold cloves by 1634. The Company was hence forced to reduce the price of cloves to about 27 stuivers per pound in 1636 and, as a result, 91,736 lbs were sold in a year at a gross profit of about 19 stuivers per pound. The demand for nutmeg and mace also improved on prices

[366] Coen, V, p.297, VII, pp.94, 231, 359, 372, 421, 474, 478, 829; VII2, pp.1176, 1436; K.A.450, 26.11.1616, f.446; K.A.1001, 27.6.1626, ff.81 ff; K.A.1002, 4.6.1626, f.244

being reduced. But large imports of cloves by the English in 1638—39 again caused a slump. Still, in 1640, the Company imported over 84,000 lbs of cloves in order to retain its hold on the market.[367]

While the total volume of capital supply had increased enormously by the 'fifties, the import of at least some of the major items decreased in comparison with the preceding period, as a result of the poor demand for the Company's wares. The sale of spices, largely an article of luxury, suffered badly. 50,000 lbs of cloves were ordered for 1644; in 1653 and 1654, the orderes were for 5,000 lbs and 10,000 lbs respectively. True, in 1650, 160,000 lbs were imported to Coromandel, but this was a measure meant to dispose of a bumper crop in Amboina, and it caused a sharp fall in prices. The import of nutmeg and mace also suffered a proportionate decline. Only the supply of pepper was increased to meet the requirements of the Bengal and Pegu markets. The price of some varieties went up considerable by the 'fifties, probably owing to the reduced supply and the general rise in the price level caused by economic dislocation. In 1644, nutmeg sold at 30 *pagodas* a *bahar*, while the price for the same amount in 1656 was 70 *pagodas*. A *man* (24 lbs) of cloves sold at 5½ *pagodas* in 1644 and at 13 to 15 *pagodas* in 1656. But the total volume of sales was not large enough to make any material difference, though the profit per unit had increased. Towards the very end of this period, however, the demand for spices improved with the return to normal conditions and the relaxation of monopolistic measures.[368]

A variety of cargo in small quantities were always included in the Dutch imports to Coromandel. Chief among these were copper from Japan, spelter from Malacca, lead from Holland, sandalwood from Solor and Timor, besides camphor, alum, porcelain, vermilion, quicksilver, tortoise-shell, eaglewood, etc. Individually often of little importance, together these items helped to supplement the Company's limited cash capital. In the second decade of the century, there was a good demand for Japanese copper which sold at 90 to 108 rials per *bahar*.

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[367] K.A.760, 13.10.1635, ff.575—76; K.A.762, 31.7.1637, f.549; K.A.765, 11.7.1639, f.406; K.A.767, 14.4.1640, f.134, 5.9.1640, f.596; K.A.768, 3.4.1641, f.74; K.A.1019, 15.8.1633, f.19, 25.12.1633, f.40; K.A.1023, 27.12.1634, f.96; K.A.1028, 4.1.1636, ff.42—3; K.A.1031, 28.12.1636, f.54; K.A.1034, 9.12.1637; K.A.1036, 22.12.1638, ff.170, 176vo; K.A.1039, 18.12.1639, f.81.

[368] K.A.1051, "Eysch enz.", ff.665; K.A.1054, 4.5.1644, f.568vo; K.A.1072, 10.12.1650, f.62; K.A.1087, 19.1.1654, f.262vo; K.A.1102, 1.2.1656, f.10vo; K.A.1111, 16.1.1658.

Lead, too, was in considerable demand, but the market for spelter was seriously undermined by the large imports of tin by the Indian merchants. Good quality sandalwood could be sold up to 20/25 *bahars* a year at 100 pagoda per *bahar*. Some fancy cloths from Holland, velvet, Chinese armosin etc. also sold at a profit. Tortoise-shell sold at 10 pagodas per *man* and was much in request, but the supply was rather limited. In 1616, some pearls from Holland fetched more than 100 % profit and Amsterdam was informed that pearls worth 30,000 rials could be sold annually. But this lucrative trade could not be developed through lack of supplies. Some weapons, mirrors, clocks, jewellery etc. were also sent from Holland to be sold as curios, or presented to the princes and nobles. The weapons were in little demand, but metal cannon, sold by weight, fetched high profit.[369]

The general decline in demand in the 'thirties affected all items. Quantities of vermilion, quicksilver, alum, lead, sappan wood, cardamom and porcelain remained unsold for long periods. The demand for spelter, as a suitable substitute for Japanese copper, improved from 1638. There was a good market for it in Bengal and Golconda, but the strong competition of Achinese traders undermined all prospects of profit. Sulphur, required in large quantities for the manufacture of gun-powder, was also in great demand in Coromandel and Burma, but only Dutch sulphur, and not the Achinese variety, could be sold, because the latter was of very poor quality. Following the English lead, the Dutch also tried to develop a trade in red coral and European textiles, but were not very successful. The import of Chinese silk proved more profitable. Besides these, rattan and chillies from Banjer Masin, and elephants and large dogs for purposes of presents were occasionally shipped to Coromandel.[370]

Among the miscellaneous items of import, Chinese and Formosan velvet fetched 32 % profit in 1643. Coal from Formosa and Japanese camphor were added to the list of imports around this time. The former, apparently, was required not for sale, but meant for the Company's gunpowder factories. The attempt to develop a market for China tea was not very successful. A significant development in the import trade

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[369] Coen, I, pp.237—283; II, 297; VII, 94, 98, 99, 237, 241, 242, 283, 359, 419, 421, 425; K.A.451, 19.10.1617, ff.125—26, 12.4.1617, f.200.

[370] K.A.1017, 20.10.1632, f.194; K.A.1019, 25.12.1633, f.39; K.A.1025, 20.9.1634, f.327; K.A.1029, 19.6.1635, f.666vo; K.A.1031, 8.10.1636, f.1129, 28.12.1636, f.69; K.A.1037, 9.5.1638, f.197vo, 14.5.1638, f.210; K.A.1039, 25.12.1633, f.39; K.A.1042, 2.11.1639, f.420; K.A.1044, 3.10.1641, ff.269 ff.

of the Coromandel government was the considerable increase in the sale of elephants in Bengal, the supplies being provided by Malacca, Batavia and Ceylon.[371]

The importance of copper as an item of import increased with the passage of time. Until Japan again permitted the export of this metal in 1646, supplies of Hungarian and Swedish copper were regularly brought to the coast, and 30,180 lbs of these varieties were imported in 1644. The average annual requirement in the 'fifties was between 40,000 and 50,000 lbs. After 1645, Japan became the chief source of supply. Besides, small quantities were occasionally procured from Pegu for the Bengal market. The price of copper, — 55 to 60 *pagodas* a *bahar*, — was fairly steady on the coast throughout the period. Besides copper, tin was in good demand. The annual requirement was estimated at 140,000 lbs in 1643, and 60/70,000 lbs in the 'fifties. Malacca and Queda were the main sources of supply. In a good year, the Company could also sell 50,000 lbs of lead. But even the demand for copper, a much sought after commodity, was very poor around 1661 and part of the unsold stock had to be sent to Surat where it was more in request. The demand revived in the mid-'sixties and 40,000 lbs were ordered in 1667. In 1668, the trade in copper had to cope with a double problem. Exports from Japan, the chief source of supply, had to be severely reduced as the emperor ordered that the bulk of what was available should be minted and desposited in the treasury. In Golconda, the king prohibited the free sale of copper, as he sought to monopolise it for minting *nevels*. But export from Japan was again permitted in 1669 and the orders of the Golconda king were also relaxed about this time. During 1670—72, copper sold at 100 % profit in Coromandel despite strong English and Indian competition.[372]

During the years when Bengal was under the Coromandel government, the imports to the coast included the capital for the Bengal trade. While silver coins and Japanese silver were the commodities chiefly in demand, the Company also imported to Bengal quantities of spices, — specially cloves, Ceylon cinnamon and Malabar pepper, — lead, tin, quicksilver, spelter, ivory, sappan wood, Coromandel tobacco, Persian

[371] K.A.1051, 22.12.1643, ff.25vo, 39vo, "Eysch enz.", f.665; K.A.1054, 13.5.1644, f.604; K.A.1056, 17.2.1643, f.747vo; K.A.1068 (vervolg), 13.4.1649, f.546vo; K.A.1076, 6.7.1651, f.234vo; K.A.1087, 19.1.1654, f.262vo; K.A. 1104, 6.1.1656, f.214vo.

[372] K.A.1124, 22.12.1661, f.112; K.A.1155, 10.2.1667, f.368; K.A.1156, 16.10.1668, f.735; K.A.1160, 1.2.1669, f.432vo; K.A.797, 22.4.1670, f.193; K.A.799, 3.12.1672, f.1000.

rose-water, Japanese lacquer works, silk stuffs and curios. The knowledge that cowries imported from the Maldives wre accepted as currency in Bengal and gave a profit of 14 % to 18 %, induced the Dutch to decide on a reconnoitring voyage to those islands in 1640, but nothing came of it until many years later.[373]

The one striking fact about the pattern of Dutch imports to Coromandel, — and in fact of India's import trade in general, — during this period, is the relative stagnation of the market for imported commodities. The major items of import, other than bullion and specie, were in the nature of luxury items. The non-precious metals, — copper, tin, spelter etc., — imported in limited quantities were an exception and may be described as the basic raw material for the manufacture of certain commodities. The fact, however, remains that the coast's increasing export trade secured no mentionable increase in the return flow of consumer's goods or raw material. The increase in import being mainly equivalent to an incerase in the flow of specie and bullion, it affected the producer and production only in so far as it enlarged the volume of money in circulation. The expanding foreign market, despite the expropriation of the bulk of the surplus by the foreign companies and Indian merchants, almost certainly meant an extension of employment and increase in real income for the producer. Such increase, however, was not enough to secure substantial expansion of the import market. As to the bullion import, a significant proportion, though not the bulk of it, went into luxury consumption or hoarding and, to that extent, did not even contribute to the process of monetization. While from the point of view of the individual hoarding was a rational activity, in so far as it ensured economic security, from the point of view of the economy it was a wastage of resources. That precisely was the end product of a considerable proportion of commercial activity in this period which otherwise might have contributed to the expansion of the country's productive capacity.

[373] For the trade with Bengal during 1634—42, see K.A.1025, 29.5.1634, ff.316vo—317vo; K.A.1031, 28.12.1636, ff.58—60, 2.7.1636, f.1117; K.A.1036, 22.12.1638, ff.171, 177vo; K.A.1039, 18.12.1639, f.79vo, 8.1.1639, f.1045; K.A.1042, 3.3.1640, ff.429—29vo; K.A.1047, "Verhael etc." ff.414, 434; K.A.767, 31.7.1640, f.393; K.A.768, 28.5.1641, ff.172—3.

CHAPTER X

ADMINISTRATION AND SOCIAL LIFE

The administration of the Company's factories on the coast was organised roughly along the same lines as in other places outside the Company's domains. During the earliest years of the Dutch connection with the coast, the two factories at Masulipatam and Petapuli were independent of each other. In 1608, this mutual independence was abolished and Masulipatam given the status of the superior factory. In 1610, the Coromandel factories were organised into a directorate with Pulicat as its headquarters. In 1615, the Coromandel directorate was raised to the status of a government.[374] Normally, 'governments' were organised only in territories where the Company had sovereign authority, but an exception was made in favour of the Coromandel coast in view of its special importance. The Masulipatam factory, as the chief centre of the Company's trade in northern Coromandel, retained a position of special importance, and the chief factor in charge of the factory had the status of the 'second officer' on the coast, the Governor, residing at Pulicat, being the first. In 1621, this special position of the Masulipatam factory was recognised by a new administrative arrangement. The coast factories were divided into two groups, northern and southern, — the northern factories being made directly dependent on Masulipatam. The chief factor in charge of the Masulipatam factory was given the title of President, but he and the northern factories still remained subordinate to the authority of the governor who continued to control directly from Pulicat the affairs of the southern factories.[375]

Before the institution of the office of the governor-general, the factories in Coromandel as elsewhere functioned as independent units, and the local factors and the officials on board the visiting ships together constituted a council for considering matters of importance. In 1610, with the appointment of a governor-general and the formation of a supreme council, all the establishments in Asia were brought under a single and permanent authority. The directors and Governors of the

[374] See *supra*, Ch. II; Lannoy et Linden, *Histoire de l'expansion coloniale des peuples européens, Néerlande et Danemark*, p.201.

[375] K.A.1242, 29.4.1681, f.282vo.

coast factories were considered representatives of the governor-general-in-council. In theory, the Coromandel government was under the control of Bantam, and later, of Batavia, but in practice this control was difficult to exercise, in view of the slowness and infrequency of communication. During unfavourable monsoons, there was no contact for several months. Therefore, normally, the authorities at Batavia had to remain satisfied with sending instructions from time to time and reprimanding or recalling officers in cases of grave delinquency. The Fiscal of the Indies, the chief law officer of the Company in the East, and the Council of Justice (*Raet van Justitie*) at Batavia had the authority to try all employees of the Company posted in different parts of Asia. Besides, the Visitor-General (*Visitateur Generael*) checked the accounts of the subordinate governments and directorates before they were transmitted to the general accounts. Occasionally he went on tours of inspection to check locally the accounts of the Coromandel factories. In 1626, the authorities in Holland instructed Batavia to appoint two Commissioners (*commissaris*) who would annually inspect all the subordinate factories, in order to check illegal private trade and other forms of corruption among the Company's officers. In actual practice, Coromandel was visited by Commissioners from Batavia only at long intervals, and at times the governor-elect was required to function as Commissioner as well. Occasionally, when it was necessary to send an embassy or mission to some Indian court, the governor or the visiting commissioner was authorised to act as Batavia's ambassador. The manner in which the Council of the Indies was organised provided another point of contact between Batavia and the coast. Normally, all the members of the Council did not live in Batavia, and some heads of dependent governments were chosen to act as members. The choice fell frequently on the governor of the coast factories as the head of one of the most important governments.[376]

The relations between the Coromandel government and the authorities at home was, for the most part, indirect, and occasional letters to and from the *Heeren XVII* and sometimes the different 'chambers' (*Kamer*) constituted the chief point of contact. At times, the *Heeren XVII* would issue instructions to the coast government concerning maters of internal administration without referring to Batavia. Their increasing concern at the growth of illegal private trade of the Company's employees in

[376] Van Dam, III, pp.41 ff, 72 ff, 78 ff, 81 ff, 99 ff, 128 ff, 161—164; K.A.1242, 29.4.1681, f.270; Havart, II, 154—164; Lannoy et Linden, *op. cit.* pp. 201—202.

many parts of Asia led to the appointment of Adriaan van Rheede van Meydregt tot Drakensteyn as Superintendent in 1684 with extraordinary powers of supervision, enquiry and punishment which, in Coromandel, caused a great deal of unnecessary suffering among the Dutch factors.[377]

The coast factories were staffed by officers of several distinct classes — chief factors (*opperkoopman*), factors (*koopman*), under-factors (*onderkoopman*), book-keepers (*boekhouder*), clerks and assistants. The division of the employees into several classes was not strictly hierarchical in nature, nor did it represent any specialisation of functions, except in the case of book-keepers. It was mainly an honorary classification and implied little more than differences in salary. In the later decades of the seventeenth century, the governor of the Coromandel coast had a monthly salary of 200 florins, while the chief factors, factors and under-factors were paid 80, 60 and 36 florins respectively *per mensem*. The chief employee in charge of a factory, called the *Opperhoofd*, might belong to any of the three classes of factors. Only at Pulicat and Masulipatam chief factors were appointed heads of the factories. The highest officers in most other places were factors, while at Sadraspatam, Nagelwanse and Bimlipatam under-factors were in charge. In each factory, one of the employees was given the status of second officer; he and the *opperhoofd* were jointly responsible for all affairs of the factory. The principle of joint responsibility was introduced at a very early stage of the Company's connection with the coast in order to check any possible excesses by the chief officers. The *opperhoofd* in each factory generally conducted business with the local merchants, made the necessary arrangements for the manufacture and procurement of cloth and supervised all financial matters. The second officer was responsible, among other things, for drawing up the invoices for the cargo exported from the factory. If there was a third officer, his chief duty was to go out on official tours. The clerks, book-keepers, and assistants were often entrusted with specific functions, and had separate designations such as cashier, keeper of invoices, ledger-keeper etc. The Dutch officer who collected toll from the outer town of Negapatam, was known as the *adigar*, a local name for revenue officials in Tanjore.[378] Besides the factors, assistants

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377 K.A.450, 21.11.1614, f.90; Havart, I, pp.35, 58 ff; see *infra*, Bibliography, the discussion on the "Copieboek van brieven, instructies en andere papieren van de XVII etc. . ."

378 K.A.805, 24.7.1678, ff.289vo—291; K.A.967, Resolution, Pulicat Council, 16.11.1610; van Dam, III, p.234; Havart, I, pp.11—22, 24; Lannoy et Linden, *op. cit.*, p.201; Terpstra, *De Nederlanders in Voor-Indië*, p.55.

etc., the Coromandel factories were served by a large body of miscellaneous employees, including a priest, a school-teacher, sacristans, chief surgeons, under-surgeons and trumpeteers. The Indian employees of the Company included interpreters, Persian-knowing clerks, blacksmiths, carpenters and a number of menials such as domestic servants, palanquin-bearers, stable-boys, torch-bearers etc., many of whom were employed for purposes of display, intended to impress the local people. A garrison of Dutch and Indian soldiers was maintained at Fort Geldria under a Captain. Some Dutch soldiers were also posted at Masulipatam for the protection of the factory. At other places, the Company chiefly depended on Indian 'peons' for the purposes of defence. In 1678, as a part of the general economy drive, the number of employees in Coromandel was drastically reduced. The garrison at Fort Geldria was now reduced to 100 Dutch soldiers, besides 13 officers and 30 Indian 'peons'.[379]

All matters of importance concerning the coast factories were discussed in a Council, which was similar in character to the Council of the Indies. Its members were selected by the governor and it had the power to nominate the lower officers. Some of the subordinate factories like Masulipatam also had councils of their own. The affairs of the subordinate factories were to some extent controlled by the governor who went on tours of inspection from time to time. Another centralising factor in the administrative structure of the Coromandel government was the office of the *hoofd-administrateur*, i.e., chief administrator, who supervised the accounts for the entire coast before these were sent to Batavia. Besides, there was the Council of Justice for the coast which had powers to judge and punish the Company's employees in Coromandel. Its members, chosen from among the local factors, did not, however, give up their normal functions. The coast factories also had a *fiscal*, or law-officer, who charged and prosecuted delinquent employees before the Council of Justice. The Coromandel government had powers of life and death over the local employees, and some actual cases of execution by order of the Council of Justice are on record. In some cases, especially when the accused was a powerful official, the whole matter was referred to Batavia.[380]

In Coromandel, the territorial possessions of the Company were of little consequence. Part of Negapatam, — the area enclosed by the

[379] K.A.805, 24.7.1678, ff.289vo—291vo.

[380] Havart, I, pp.22, 24; Terpstra, *op. cit.*, p.55; K.A.968, 30.8.1613, ff160—160vo; K.A.1019, 15.8.1633, f.22vo.

fortifications, — fell into their hands after the expulsion of the Portuguese. Besides, the villages of Wansiwake and Erikan near Pulicat, the ten villages near Negapatam, formerly in the possession of the Portuguese, and Palicol in northern Golconda were about the only places acquired by the Company in course of the seventeenth century. The Negapatam villages passed into their hands as a result of their conquest of the Portuguese colony and they were confirmed in their possession by a grant of the Tanjore *nayak*. The other villages were obtained as gifts from local rulers. In the administration of these villages, the Company appears to have been generally guided by local customs. In Pulicat, for instance, the peasants had to pay five-eighth of their crop as tax to the Company in accordance with the old rate; besides, an annual capitation tax was payable by everybody, excepting the Brahmins and prostitutes. The Dutch tried to modify the harshness of this system of heavy taxation by allowing the peasants to sell their crop and pay in cash. In former times, payment in kind was insisted on and often the peasants were forced to buy at exorbitant rates, the grains they themselves had paid as tax.[381] In the villages near Pulicat, the Company appointed some Indian employees to collect taxes in grains, but as they proved to be undependable, the Dutch, following the local custom, leased out the villages to the highest bidder in 1678.[382]

In the latter half of the century, the Company also occasionally succeeded in securing the lease of important coastal towns like Pulicat and Sadraspatam and thus acquired temporary administrative authority in some parts of Coromandel. Besides, at Negapatam the right to collect tolls from the 'outer town', i.e., the part which was outside the area of the fort, was granted to the Company by the *nayak* of Tanjore. The Dutch apparently interfered very little with the administration of these places and remained satisfied with collecting the revenue through their Indian employees. At Pulicat, the Company enjoyed a position of advantage through their possession of a strong fort, and the Eurasians, Indian Christians and many other inhabitants of the town and the neighbouring villages willingly accepted its authority in order to be free from the oppression of the local chieftains.[383] The contracts with the local potentates in some places like Pulicat gave the Company the right to

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[381] See *supra,* Ch. VI, for the acquisition of the villages; for the administration of Palicol, see Valentijn, V, i, p.37; K.A.805, 24.7.1678, f.603.

[382] K.A.1222, 7.3.1678, ff.563—63vo.

[383] K.A.805, 24.7.1678, ff.616—617.

arrest and punish any weavers or painters who failed to carry out their contracts.[384]

In course of time, despite the fact that private trade was prohibited from the early 'thirties and the Dutch were not normally allowed by the Company to settle on the coast, small Dutch colonies had grown up in various places in Coromandel, centring round the Company's factories. Batavia's orders permitting the Dutch employees to settle only in the territories where the Company had sovereign authority was promulgated as late as 1665, and all evidence seems to indicate that frequent exceptions to this rule were permitted, at least in Coromandel. The widows and children of deceased employees were often allowed to stay on. Besides, many factors served on the coast during the best part of their lives and thus became settlers for all practical purposes. At Pulicat, the Dutch colony was fairly sizeable and one entire quarter of the town was inhabited exclusively by the Dutch.[385]

The development of Dutch colonies on the coast was helped by the Company's policy of permitting marriages with Indian women adopted as early as 1614. The only condition laid down by the Company was that the prospective brides must first accept Christianity. In 1614, for the first time, a number of Dutch soldiers married Indian women. Again, in 1622, when the common practice of keeping concubines was prohibited by orders from Batavia, in one day 38 persons got married to their Indian mistresses at Pulicat, and the governor of the coast factories arranged a wedding feast to celebrate the nuptials.

The policy of mixed marriages was highly commended by Wemmer van Berchem, during whose administration it was first introduced. "This is the only means," he wrote, "whereby we must hold and maintain our power in India, as the Portuguese have done before us". The married soldiers were treated with special favour and allowed to live in the fort, at least during the rainy season. In the latter decades of the century, a large proportion of the population at Pulicat consisted of *mestizos*, i.e., children of mixed Dutch-Indian marriages, and *castizos*, or quadroons. Nieuhof mentions one particular caste called 'Thiola' which frequently inter-married with the Dutch.[386]

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[384] Heeres, I, pp.100 ff.

[385] K.A.456, 23.4.1665, f.795, Havart, I, pp.105—106; van Dam, II, ii, 117 ff.

[386] K.A.968, 30.8.1613, f.166; K.A.969, 16.8.1614, ff.127vo, 132vo; K.A.973, 16.3.1616, ff.177, 178, 205, and Resolution, 15.10.1615; E.F.I., 622—23, p.147; Nieuhof, p.112; van Dam, II, ii, pp.117 ff. Nieuhof mentions marriages between 'Thiol' men and Dutch women, but I failed to trace any instance of such marriages in the records.

A letter from the English factors at Pulicat, written in 1622, thus sums up the manner of living of the Dutch men who were married to Indians. "All those thatt soe marry heere to blackes are bound and tyde to everlastinge service in India and cannot returne to there cuntrye... and to speake truly most parte of this base nacion desyer nott to see moore there owne cuntrye; yea, there carryadge and manners of lyvinge is more heathenlicke then the people of the cuntry themselves, whoe take much notice thereof; to which brutishness we leave them".[387]

Marriages between Dutch men and women on the coast were not infrequent. In fact, the Coromandel factories were a very good marriage-market for Dutch maidens. In 1625, six Dutch girls stopped at Pulicat on their way to Batavia and five of them got engaged to local Dutch employees within a few days.[388] Married employees were given an additional allowance, and many often got married just to be able to claim this allowance and then got rid of their wives. In order to check this practice, Hans de Haze recommended in 1619 that as few persons as possible should be given permission to get married.[389]

In some of their settlements on the coast, the Dutch lived in great style. At Golconda, before the economy measures were introduced in 1678, the *opperhoofd* of the factory kept open house for all Christians in the city. A large number of Indian palanquin-bearers, horn-blowers, trumpeters etc., were employed at that factory in order to impress the local inhabitants and the royal court with the wealth and power of the Dutch Company. The factory was situated in the best part of the town, not far from the royal palace. When Thévenot visited Golconda in 1666, he found that the Dutch chief factor was escorted by standard bearers and trumpeters whenever he went out.

At Pulicat, the Dutch quarter of the town had houses built in the Dutch style and even an avenue with three parallel rows of trees. The fort was situated in the middle of the town and surrounded by a wide moat. It had four stone bastions and a stone wall. The houses of the chief officers were inside the fort wall and furnished well. There was also a church within the fort where the Dutch minister used to preach regularly every day. The assistants and soldiers for the most part had their lodings outside the fort.[390]

In the subordinate factories, the employees and their families were

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387 E.F.I., 1622—23, 147.
388 K.A.999, Pulicat to Batavia, 16.10.1625.
389 K.A.981, De Haze's instructions to A. Thomas, 21.7.1619.
390 Havart, I, f.105; Gautier Schouten, *Voiage aux Indes Orientales,* I, pp.489 ff.

usually provided with accommodation within the factory houses. The factory at Masulipatam was not large enough to accommodate the numerous employees, many of whom lived in houses nearby. The *opperhoofd* had a very fine house, built in the local style. The factory itself was made of planks of palm-wood, plastered with mud. The Company had a pleasure-house in the middle of a garden in the outskirts of the town, where the *opperhoofd* retired in times of extreme heat. It was also a common *rendez-vous* for all the local Dutchmen.[391]

Baldaeus, who was the minister on the coast during the 'sixties, left a detailed account of the daily habits and the manner of living of the Dutch in Coromandel. They had adopted many of the local habits, like washing the mouth after every meal and chewing betel leaves. In Coromandel, the Dutch also commonly took a siesta. The major meal was taken between 3 and 4 in the afternoon. Their diet was on the whole the same as in Holland and a large proportion of the meat and bacon required for the Coromandel factors was supplied from Holland as hopes of procuring victuals cheaply on the coast had proved to be false. The usual drink at midday and in the afternoon was a mixture of water, beer and sugar boiled together. Occasionally some Spanish wine or rum was added. Spanish, Rhenish and French wines were sent in limited quantities from Holland. Shiraz wine from Persia and Indian *arak* were also popular. Tea-drinking had recently come into fashion and Chinese tea was considered the best. According to Baldeus, some Dutch people, especially the women, drank too much tea; he also disapproved of the habit of mixing sugar-candy with it. Green tea-leaves were also used as salad in those days on board the Dutch ships.[392]

Daniel Havart in his well-known work defended the Dutch employees on the coast against charges of drunkenness and debauchery, and attributed their bad reputation to slanders spread by the English and the French. The records of the Dutch factories are, however, full of accounts of their inequities. As early as 1616, the *Heeren XVII* complained of the dissolute life of the employees on the coast and matters did not improve in this respect with the passage of time. Coromandel, in the opinion of a Dutch governor, "was more a prey to Bacchus and Venus than any other place in India", and many of the coast factors believed that "men must follow the ways of the land". Their zeal in this respect often involved the Dutch in serious difficulties with the local people and the

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[391] Havart, I, pp.141—46.

[392] Baldeus, Ch. XXV; K.A.758, Batavia to Coromandel, 24.8.1630; K.A.760, 13.8.1635, f.534; K.A.768, 3.4.1641, f.76; K.A.1287, 9.3.1684, f.71vo.

other European companies. It was decided, in 1633, to pay the Coromandel factors only the amount considered necessary for keeping house, the balance of their salary being paid when they returned to Batavia, so that they should have no surplus money in their hands during their stay on the coast. The measure was directed against both illegal private trade and habitual drunkenness and debauchery.[393]

A clergyman, with his head-quarters at Pulicat, looked after the moral and spiritual welfare of the Company's employees in Coromandel and other Christians living under the protection of fort Geldria. In the subordinate factories, sacristans attended to the necessary religious functions. As Portuguese was widely understood by the Indian Christians in Coromandel, the Dutch ministers were required to preach both in Dutch and Portuguese. Some clergymen like Baldaeus worked hard to spread the Protestant faith. Attempts were made from very early times to convert the Indian Catholic fugitives from San Thomé to Protestantism and the Dutch minister at Pulicat baptised forty of their children in 1615—16. The idea of developing a Christian colony at Pulicat under the protection of fort Geldria was approved by Coen and later accounts suggest that it was implemented to a certain extent. Not all the clergymen sent out to the coast were men of impeccable character. Nathaniel de Pape, sent to Coromandel in 1672, was recalled eight years later for his scandalous way of life. Another minister, Johannes Ruterus, fell out with the Coromandel Council and was sent back to Batavia. Some of the clergymen were also suspected of participation in illegal private trade.[394]

The attitude of the Coromandel factors to Catholicism was far from tolerant. After the Portuguese church at Negapatam was handed over to the Company by the *nayak*, the Negapatam Council was in favour of destroying it. Batavia, however, took a more kindly view of the matter and also enjoined that the Catholics should be allowed to take possession of the church and practice their religion without hindrance. When a Portuguese priest, in accordance with the policy of Batavia, was allowed to perform religious service in the church, he was seriously manhandled by the local Dutch residents and his altar and cross were destroyed.[395]

Notwithstanding governor Marten Ysbrantsz's comment that Muslims

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393 Havart, I, pp.134—35; K.A.967, Matelieff's "*Discours*", 1608, Bourgonje to North Coromandel, 15.2.1609; K.A.450, 26.11.1616, f.468; K.A.759, 28.6.1633, "Instructie" to Coromandel; K.A.765, 11.7.1639, f.420; K.A.1133, 22.6.1663, f.1312.

394 Havart, I, pp.256, 31—34; Coen, VII, p.100.

395 K.A.791, 9.10.1664, f.502—503; K.A.794, 29.3.1667, f.135; K.A.1143, 12.5.1665, f.870.

"firm ... in their false faith, look upon us the Christians as dogs," the relations of the Dutch with the local Indians, both Hindus and Muslims, were generally friendly.[396] When the Dutch officers went on missions to Indian courts, they were always received with great éclat, and the Dutch, in their turn, tried to return the courtesy to the best of their ability. The visit of king Qutb Shah to Masulipatam in 1676 provided an occasion for a most spectacular display of Dutch hospitality. As the King had expressed his desire to go on a pleasure-trip on the sea, a special boat with a throne on it, was prepared for him. The Dutch also organised a mock sea-battle for his entertainment. The king was entertained everyday with songs and music and on one occasion he also attended a church service, showing great honour to the Bible on the occasion. This grand reception helped to secure some very advantageous *farmans* for the Company.[397]

The interest of at least some Dutch employees was not restricted to commercial matters. Several of them, particularly among the clergy, took an interest in the language and religion of the country. Abraham Rogerius, who served as minister on the coast from 1631 to 1641, wrote a standard work on the Hindu religion, *De open deure tot het verborgen heydendom*. Baldaeus' work on Malabar and Coromandel also includes authoritative accounts of the Tamil language and Hindu mythology. The famous linguist Herbert de Jaeger was posted in Coromandel during the 'seventies and he developed such a great interest in the languages of the region, that in 1676 he appealed against an order of transfer so that he might continue his studies.[398]

The economy measures of 1678 came as a great blow to the Dutch employees. Some lost their jobs as being redundant while many others left of their own will as the reduced salaries were no longer sufficiently attractive. A few years later, Superintendent Adriaan van Rheede ordered a further reduction in the number of officers, and all widows of Dutch officers as well as retired married men, with the exception of the chief factors, were sent to Batavia. The speed with which this measure was carried out caused great hardship to many, as they failed to sell the houses in which they had invested much of their capital. The policy henceforward was not to appoint any married men in the Coromandel factories. After 1690, there was only a minium number of officials in the

[396] Coen, V, p.28.
[397] K.A.1011, 3.3.1631, f.28; K.A.1204, 30.9.1676, ff.41 ff; K.A.1205, 21.11.1676, ff.593 ff; *Begin ende Voortgang,* Voyage of yacht Delft, pp.66, 67, 69.
[398] K.A.803, 11.7.1676, f.263; Havart, I, pp.132, 172.

different factories, while a large and expensive garrison was posted at the castle at Negapatam. The Dutch community in the greater part of Coromandel was now reduced to a small body of bachelor employees who came to reside there for short periods of service.[399]

The administrative organisation of the Company's factories in Coromandel and the social life of the Dutch community had hardly any impact on the society or economy of the region. They were significant only in so far as they provided the immediate social and administrative framework for a unit of commercial expansion in an alien setting.

[399] Havart, I, p.35; *Diary and Consultation Book of Fort St. George,* 1678—1679, p.118; van Dam, III, pp.234—35. For the career of Herbert de Jaeger, see J. Ph. Vogel, *The Contribution of the University of Leiden to Oriental Research,* (Leiden, 1954), pp.18—20.

CHAPTER XI

A RESUME

In the early years of the seventeenth century, the Dutch came to the Coromandel coast in quest of cloth, a necessary medium for the purchase of spices in the East Indies. Within a decade, this side line of the Company's trade became sufficiently important to warrant the creation of a separate 'government' for the coast. The importance of the Coromandel factories increased as the policy of making the Asian trade pay for itself found acceptance in Batavia and Holland. If Dutch trade in the East was to be supported chiefly by its own profits with the least possible assistance from Europe, Coromandel cloth, a commodity universally in demand throughout Asia, would naturally feature more and more prominently in the pattern of the Company's commerce. During the period of Coen's governor-generalship, fresh demands, — for slaves and victuals, — were made on the coast to support the new policy of colonisation, and, for a while, the demand for coast cloth was reduced in theory to a position of comparative unimportance. But the earlier pattern, with its emphasis on cloth, soon reasserted itself.

By the sixteen 'thirties, the Coromandel factories acquired a pivotal position in the Company's trade with the countries round the Bay of Bengal. Having secured a firm foothold on the coast, the Dutch now extended their activities to Bengal, Arakan and Burma. The factories established in Bengal and Burma were placed under the authority of the Coromandel government. A separate directorate was created for Bengal as late as 1655, while the factories in Burma remained under the jurisdiction of the Coromandel government until they were abandoned in 1680.

By the middle of the seventeenth century, the Dutch had secured for themselves a commanding position in the overseas trade of the Coromandel coast. With their control over the trade of the East Indies, they enjoyed an advantage denied to their rivals. The power of the Portuguese, a serious hindrance to Dutch activities in the earlier stages of their career in Asia, was everywhere on the wane. The English with their limited resources, were still lagging far behind. The Indian and

Asian merchants, with their knowledge of local conditions and ability to trade for a low rate of gross profits, offered a more serious problem. But in all probability, the total volume of the overseas trade of the local Indian merchants was not as large as that of the Company.

The Dutch were not destined to enjoy their ascendancy for long. The growing resources of the English and their increasing exports to Europe undermined the Company's control over the Coromandel cloth markets. In South-East Asia, the competition of Indian merchants lowered the demand for Coromandel textiles imported by the Company. Burdened with heavy military and administrative expenses, the Dutch could not afford to trade for a small margin of gross profits like their Asian rivals, and efforts to eliminate this competition by making use of the Company's superior naval strength had to be abandoned in view of the weakness of the Dutch factories on the mainland of India. In the last quarter of the century, the Dutch struggled hard to maintain their Coromandel trade as a paying concern, but to little purpose. Disastrous wars which dislocated the economic life of the region added to their difficulties. Economy measures and extensive enquiries into the corruption and inefficiency of the Company's employees made little difference to the basic problems. In the sixteen 'nineties, Dutch writers on the Company's Asian trade recognised the fact that the trade with Coromandel was definitely in decline. The transfer of the headquarters from Pulicat to Negapatam in 1690 marked the beginning of the last inglorious phase in the Company's career on the coast.

The experiences of the Dutch Company on the coast were in many ways typical of European commercial activity in 17th century Asia. Initially, their chief obstacle was an unfavourable institutional framework, — unfavourable not merely to the trade of foreign companies, but to all economics activities which could possibly expand production or raise the producers' standards of consumption. The eagerness of the political authorities and local merchants to see the European traders established as a part of the economic map of the region, modified, but did not basically alter the situation. Rapacity of transferable local officials or revenue farmers, who had no care for the economic future of the people or the region under them, was part of the administrative system of the period and this fact affected adversely all concerned.

The organisational weakness of the Dutch Company, to some extent a function of the Mercantilist system, accentuated its problems. Centralisation of control and inadequate initiative in the hands of the man on the spot complicated matters no end at a time when commercial

intelligence flowed slowly and often inaccurately, decisions had to be quickly taken and local trade interests ran counter to wider policies of state. A top-heavy administrative set-up added to the costs to an injurious extent and handicapped the company in its competition with its rivals. An irrational policy of trading for a high rate of gross profit per unit, — the illogical conclusion of the universal mercantile effort to buy cheap and sell dear, — inhibited investments in sub-standard articles which had an extensive market, amply exploited by the Company's rivals. When, on top of all this, the English surpassed the Dutch in their capital resources and a general decline affected the Company's affairs, Dutch ascendancy in the coast trade came to an end.

Starting as a mere accessory to the spice trade in the Indies, the Dutch trade with Coromandel developed before long into "one of the chief pillars" of the Company's Eastern commerce. The profits in the East Indies, Siam, Persia and the Malay peninsula became increasingly dependent on the supply of Coromandel textiles. And cloth was not the only export from the coast which was of importance to the Company's Asian trade. Saltpetre for the manufacture of gun-powder was exported in quantities to meet the requirements of the Dutch factories all over Asia. From the 'thirties, the Company's factories and ships throughout the East depended for the bulk of their supplies on gun-powder manufactured in Coromandel. The volume of iron and steel export to the East Indies was also considerable in the latter half of the century. During the years of famine on the coast, the Dutch never missed any opportunity of procuring slaves for the factories and plantations in the East Indies and Ceylon. In times of necessity, Batavia also depended on the coast for its supply of rice and wheat, and a large proportion of the provisions required for Ceylon was supplied by the Coromandel government. Export of Bengal silk to Japan and Bengal sugar to Persia was first organised on a large scale in the days when the factories in that province were under the jurisdiction of the coast authorities. *Ganza* and *pitjes* for Batavia, catechu, hides and *namrak,* a variety of liquid lac, for Japan, gumlac and ivory for Persia were exported from Pegu, also as part of the return cargo from the coast. Ray-skins and wood from Coromandel fetched high profits in the Far Eastern markets.

The return cargo from Batavia to Europe included increasing quantities of Coromandel wares. Coast cloth, especially the finer varieties, were in great demand in Holland and other parts of Europe, and when the English began to import large supplies of this commodity, the Dutch also increased their volume of cloth export to Europe in order to

prevent their rivals from capturing the market. In the list of the Dutch exports from Asia to Europe, Indian textiles, particularly from Coromandel, came to occupy a position even superior to spices in importance. Coromandel indigo was another important item of export to Holland, but the volume of supply declined in the latter half of the seventeenth century, though the demand in Europe was still high. Large quantities of saltpetre were exported in the earlier part of the century, when gunpowder manufacture in Holland was to a great extent dependent on the supplies from the coast. Later, Bengal replaced Coromandel as a source of saltpetre supply. The Company's trade in diamonds from Golconda and the Carnatic, which often proved very lucrative, had an erratic career in Europe, and it suffered heavily from English competition during the latter decades of the century.

It was primarily in the pattern of the Company's Asian trade that the Coromandel factories occupied a position of great importance. To obviate the difficulties arising from limited capital supply from Europe, the Dutch engaged in all branches of the inter-Asian commerce, and a large part of the profits from this trade was invested in Coromandel, mainly in the form of bullion and cash specie. In fact, the requirements of the Coromandel market, where only precious metals were in good demand, provided the impetus behind the Company's efforts in many parts of Asia. The chief purpose of the Far Eastern trade, in particular, was to procure Chinese and Formosan gold and Japanese silver and copper for the coast trade. From the 'sixties, gold coins and bullion from Japan effectively supplemented the supply of cash capital to the Coromandel factories. A large part of the profits earned in Persia also went to the coast, in the form of silver *abbassis* and gold ducats. The purchase of elephants in the Company's territories in Ceylon by Indian merchants was encouraged mainly with a view to procure *pagodas* for the coast factories. Gold and silver from widely scattered regions of South-East Asia, — Sumatra, Java, the Malay Peninsula, Indo-China, Burma and Siam, — tin from Tenasserim, Malacca and the adjacent regions, different spices from the East Indies, dye-woods from Solor and Timor were imported to Coromandel to procure in exchange the all-important 'Kustkleden' (Coast cloth) which constituted the staple of the inter-Asian trade.

For the economy of Coromandel and the adjacent regions, the establishment of close commercial links with many parts of Asia, — and, to a lesser extent, with Europe, — meant an increase in the volume of exports, though any accurate quantitative estimate of this increase is

not possible in the absence of adequate statistical data. The English, the Danes, the Indian and Asian merchants all contributed to this increase in the volume of exports. But as the Dutch, through their territorial possessions and political power, enjoyed a large measure of control over the South East Asian and Far Eastern trade, and for a long time enjoyed a superiority in capital resources, their share in the export trade from Coromandel to other parts of Asia was larger than that of any other European nation throughout the greater part of our period. The Dutch contributed to the increase in the volume of exports to Europe as well. For the first half of the century, in fact, the Company was the chief exporter of Coromandel wares to Europe, — a position which they lost to the English by the 'sixties and 'seventies.

The volume of imports, too, undoubtedly increased though this expansion consisted primarily in an increased supply of bullion and cash specie. The Company's experiences showed that the demand for precious metals in India was much more flexible than is usually imagined and tied to the requirements of the State for purposes of minting. With the decline in the demand for silver, the Company concentrated on the import of gold to Coromandel. China, and later Japan, provided a very large proportion of the gold supply for the coast. Import of copper from Japan also increased as a result of the Company's efforts. Formerly, the Indians secured only small quantities of Japanese copper from Siam, Pegu and the Malay peninsula, where the metal was brought by the Chinese traders. Now the Dutch established direct contact between the coast and Japan, the chief source of copper supply. They also occasionally supplemented their imports with Hungarian and Swedish copper. As regards the other items, — like tin, spelter, spices, dye-woods etc., — it is difficult to say if the Company's trade led to any increase in the total volume of imports. The market for these commodities was very limited and whenever supplies went beyond a certain point, there was a sharp decline in prices. The import of miscellaneous commodities merely touched the fringe of the economy. The import of bullion alone was significant, but only in so far as it contributed to monetization. It was a social waste to the extent to which the bullion went into hoarding.

One outstanding development in the economic life of the Coromandel coast in the seventeenth century, which was certainly related to the activities of the European companies, was the enormous expansion of Indian participation in the overseas trade. The increased flow of capital into the country, the profits made by the merchant-middlemen from their trade with the Europeans and, probably, a desire to emulate the

lucrative efforts of the European companies contributed to this development. In the first half of the seventeenth century, the Dutch, as the principal European nation trading in Coromandel, were one of the major contributors to this development. Later, the Indian merchants profited by the trade of the English Company as well. In the early decades of the century, the activities of the Coromandel merchants appears to have been chiefly confined to the countries round the Bay, the Malay peninsula and the Celebes. The strict control exercised by the Portuguese in Malacca probably acted as a deterrent to any extensive commerce with regions to the east of that port. In the latter half of the century, we find the Indian merchants participating on a very large scale in the trade with Java, Borneo, the Celebes and regions as far east as the Philippines. In the 'eighties, the king of Golconda even sent a ship to Macao, though this reconnoitring voyage was not followed up by any further commercial effort. The Dutch efforts to curb or control this growing trade through the system of sea-passes, first introduced by the Portuguese, was of little avail, because unlike the Portuguese, the Company did not have strongly fortified outposts on the Indian mainland. Moreover, trade backed by guns was not the chief plank of their commercial policy in India. The Indians at first took passes from the Dutch without much protest. But with the passage of time, confronted with the claims of rival European nations and increasingly conscious of their own strength on land, they began to assert their right to freedom of navigation, and the Dutch were forced to accept this new situation. Controversies over the question of passes were among the chief factors in the conflict between the Company and the Indian powers.

In the internal economy of the coast, the activities of the Dutch and, in the later decades, of the other European companies, provided a great impetus to production. Manufacture of cloth, — and, to a lesser extent, of indigo, gunpowder and ironware, — increased in many places as a result of the large orders placed by the Dutch Company. It is a significant fact that the volume of production could increase very substantially without any notable change in technique. Evidently a consideralde proportion of the productive capacity remained idle through lack of markets and incentive. In some areas, the manufacturers of cloth became so dependent on the Dutch Company that they took to agriculture whenever the Company failed to place orders for any prolonged period. Extension of indigo cultivation in the Masulipatam and Tegenaptam regions was effected through Dutch initiative and, on several occasions, production declined with a decline in the volume of the Company's

purchases. The increased demand and the competition between various purchasers, European and Indian, had a two-fold effect on the production of cloth. First, they gave the handicraftsmen a greater bargaining power and thus possibly inhibited the total expropriation of the surplus. A second result was a decline in the quality of cloth production. Freed from the necessity of producing strictly according to specifications, since the product was sure to be purchased by one buyer or another, the weavers and 'painters' no longer bothered to manufacture cloths of the very best quality: the Dutch frequently complained in the last quarter of the century that the cloth which fetched the highest prices was no longer available. As a typical Company of monopolistic merchant capital, the Jan Company had tried to establish an exclusive control over both the buyers' and the sellers' market. Neither their capital resources nor their political dominion in South East Asia was adequate for the purpose. So their control always remained partial. The producers on the coast consequently enjoyed the advantages of a competitive market for their products, at least until another Compnay succeeded where the Dutch had failed.

The Dutch, at least as much as the English, were further responsible for introducing some significant innovations in the organisation of production and commerce, though not on any very large scale. The putting out system was extended considerably under their auspices. In several places, they set up establishments for processing cloth, — bleaching and dyeing in particular, — and manufacturing gun-powder and iron-ware, where as many as fifty to a hundred artisans worked as wage labourers under the direction of the Dutch factors and experts. In India, where at best temporary organisations were set up for any large-scale industrial activity, this sort of establishment was something new. The royal *karkhanas,* manufacturing for the requirements of the court and the army, really produced for use rather than the market. The Dutch Company's activities provided a channel for the penetration of capital into production and the emergence of new and efficient forms of production organisation, though the sequel to this development was disappointing. The 'companies' of middlemen set up by the Dutch were another innovation which could have had an important sequel but for the poor quality of enterprise of the Indian merchants.

The history of European commerce in Asia in the 17th century reveal, *inter alia,* the existence of regions in different stages of economic development. Some, like the Coromandel coast, achieved a high degree of commercialization within the framework of an agrarian economy. In the

specific instance of the coast, the activities of the Jan Company and other European nations pushed forward the process of commercialization and created a belt of specialized industrial and cash crop production linked to the foreign market around the centres of export. Their inter-Asian trade fostered mutually complementary relationships between such areas on the one hand and regions on a lower level of industrial and commercial development on the other. With such vital processes at work, the economy of the Coromandel coast was qualitatively not stagnant in the seventeenth century. Even a substantial break-away from the system of self-sufficiency, — with all that it implied in the way of possible expansion of productive capacity, — had been achieved. These results followed largely from the brisk activity and huge capital investments of the European companies. To put it briefly, the impact of European merchant capital on the economy of the region, — at least until the establishment of an exclusive control of a single monopolistic company — was "growth-oriented", if one may use a very modern term in a somewhat inappropriate context. But the new developments, quantitatively, touched the mere fringe of the economy. The initiative in introducing innovations remained till the very end with foreign companies of monopolistic merchant capital. This at best was a very poor basis for the emergence of vital processes of change.

APPENDIX A

Directors and Governors of the Dutch factories in Coromandel

In 1608, for the first time, it was decided to bring the Coromandel factories under one head. In 1610, the factories were organised into a directorate and in 1615 they were given the status of a government. The dates for the periods of administration of the different governors given below refer to the actual period of their administration, which frequently included several months of provisional governorship or presidentship before formal appointment by Batavia. The list includes the names of governors provisionally chosen by the Coromandel Council during interregnums, whose appointments were subsequently set aside by Batavia.

Pieter Ysaacx Eyloff	1608—1610
Jan van Wesick	1610—1612
Wemmer van Berchem	1612—1615
Hans de Haze	1615—1619
Adolff Thomasz	1619
Andries Soury	1619—1621
Abraham van Uffelen	1621—1624
Jacob Dedel	1624
Marten Ysbrantsz	1624—1632
Arent Gardenys	1632
Marten Ysbrantsz	1632—1635 (Second Administration)
Carel Reyniersz	1635—1638
Arent Gardenys	1638—1643 (Second Administration)
Arnold Heussen	1643—1650
Laurens Pit	1650—1651 (provisional)
Jacob de Wit	July—August, 1651
Laurens Pit	1651—1663
Cornelis Speelman	1663—1665

Anthoni Pavilioen	1665—1676
Jacques Caulier	1676—1679
Willem Carel Hartsinck	1679—1681
Jacob Jorisz Pits	1681—1685
Laurens Pit, the younger	1685—1693

APPENDIX B

Profit and loss account of the Dutch factories under the Coromandel government 1626-1690

The following statistics (in florins) are taken from the "Generale Missiven". All fractional amounts have been left out.

Year	*Gross profit*	*Expenditure*	*Net Profit*	*Net Loss*
1626—27	ça 80,000	ça 50,000	ça 30,000	
1627—28	156,135	60,995	95,140	
1628—29	132,804	60,438	72,366	
1629—30	150,943	62,478	88,465	
1630—31	178,902	87,603	91,299	
1632—33	142,000	—	—	
1633—34	121,898	58,634	63,264	
1634—35	—	—	154,734	
1635—36	330,839	78,828	252,011	
1636—37	462,627	85,394	377,233	
1637—38	285,000	87,927	197,073	
1638—39	147,227	71,918	75,309	
1639—40	304,838	178,141	126,697	
1640—41	—	—	185,913	
1641—42	272,660	83,183	189,477	
1642—43	217,940	97,871	120,069	
1643—44	219,104	99,024	120,080	
1644—45	186,884	114,872	72,012	
1645—46	195,168	146,011	49,157	
1646—47	151,767	125,647	26,119	
1647—48	58,416	126,309	—	67,983
1649—50	302,049	—	—	
1650—51	230,830	138,464	92,366	
1651—52	113,146	237,269	—	124,123
1652—53	233,799	190,907	32,892	
1653—54	138,832	226,022	—	87,190
1654—55	396,681	243,279	153,402	
1655—56	267,513	222,555	44,958	

Year	*Gross profit*	*Expenditure*	*Net Profit*	*Net Loss*
1656—57	138,117	156,386	—	18,269
1657—58	344,203	215,764	128,439	
1658—59	395,314	198,400	196,914	
1659—60	389,299	216,839	172,460	
1660—61	209,657	169,233	40,424	
1661—62	193,459	231,679	—	38,220
1662—63	359,191	262,742	96,449	
1663—64	428,010	231,041	196,969	
1664—65	794,473	206,005	588,468	
1665—66	672,757	283,893	388,864	
1665—66	672,757	283,893	388,864	
1666—67	899,448	229,571	669,877	
1667—68	1,015,090	226,855	788,235	
1668—69	1,289,919	230,757	1,059,162	
1670—71	788,807	228,277	560,530	
1671—72	830,901	250,190	580,711	
1672—73	260,855	314,467	—	53,612
1673—74	486,992	341,058	145,934	
1674—75	437,745	451,056	—	13,311
1675—76	448,940	275,758	173,182	
1676—77	503,164	249,622	253,542	
1677—78	635,331	265,143	370,188	
1678—79	886,843	210,986	675,857	
1679—80	1,001,316	185,066	816,250	
1682—83	1,273,955	247,131	1,026,824	
1683—84	1,520,667	245,364	1,275,303	
1684—85	1,493,192	248,466	1,244,726	
1685—86	724,936	279,319	445,617	
1686—87	348,024	369,665	—	21,641
1687—88	304,012	43,642	260,370	
1688—89	1,048,004	348,225	699,779	
1689—90	715,026	295,454	419,572	

The statistics for 1630—31 cover 18 months.

The figures for 1631—32, 1669—70 and 1680—82 are not available.

APPENDIX C

A note on some varieties of Coromandel cloth

The main classifications of Coromandel cloth in the seventeenth century have been discussed above (Chapter I). The following description of some of the chief varieties is based on the '*Memorie*' of Stalpaert van der Wiele (Rouffaer and Juynboll, *De Batik-Kunst in Nederlandsch Indie en haar geschiedenis, Bijlage III*; De Jonge, III, p. 149) compiled in 1603, Dr. Stapel's note on the subject (see van Dam, I, i, pp. 735—39), *Hobson-Jobson,* various references in "*The English Factories in India*" and J. Irwin, " Indian Textile Trade in the Seventeenth century, II Coromandel Coast," *Journal of Indian Textile History,* No. 2.

Alleja: coloured silk piece-goods, often embroidered with gold yarn. The name was also applied to certain varieties of coloured cotton cloth, striped or checkered or with gold embroidery, e.g. *alleja bethillas.* Usually red - and - white or black - and - white.

Bafta: fine cotton cloth, usually black or white; average length - 15 cubits.

Balatiu: unbleached cotton cloth, white, black or bluish, used for manufacturing sails in Java and elsewhere. Average size 7 *vadems* [1 *vadem* = 2½ cubits] 5 span [1 span = 2¼ centimetres].

Bethilla, bethille: very fine muslins. Lengths varied from 15 to 25 yards; breadth usually 1½ yards. Sometimes dyed red, anal sometimes striped or embroidered.

Cain or Kain: a general name for cloth. *Cain goulongs*: exported in rolls. "...Apparently patterned in the loom and usually incorporated goldthread." (Irwin).

Chavoni, Chaven: very light white cotton cloth embroidered with couloured silk, average size, 5 *vadems 2½ spans.*

Chelas: white or yellow cotton cloth with black stripes; also checkered; average size 4 *vadems* 5 *spans.*

Chindos, chintz: cotton or silk cloth with coloured patterns.

Drongans, dragons: cotton cloth in two colours - red and white, black and red, red and green, red and blue or white and green. Most in demand in Java.

Ginghams: originally meant a variety of plain cotton cloth; somewhat

stiff, according to one authority. Dimensions — about 20 x 1 yards. (for a detailed description, see Irwin, *op. cit.*).

Gobar, gover: brownish blue cloth with whitish blue stripe across the middle. *Sarassa gobar:* gaily coloured silk cloth patterned with flowers and birds.

Lungi: silk or cotton loin-cloth.

Muri: according to van der Wiele, fine yellowish white cloth with a red stripe across the middle; average length — 4 *vadems*. But *muris* are described in *Hobson-Jobson* as "blue clothes, principally manufactured in the district of Nellore." Usual dimensions — about 9 yards x 1 yard 8 inches.

Parcalla, parcalle: closely woven cotton cloth, a sort of fine white cambric. Dimensions — about 8 x 1 yards. Occasionally bought red.

Poulong: chequered cloth of various colours.

Rambutin: white cotton cloth; average length — 8 *vadems.*

Salalu: bluish or black cotton cloth with gold borders, average size — 2 *vadems* 5 *spans.*

Salampuri: white cloth with red borders. Usual dimensions — 4 x 1 yards.

Taffachela: fine white cloth with stripes.

Tapi: general name for coloured piece-goods used as skirts by both men and women in many parts of South-East Asia. A well-known variety, known as *tapi-sarassa,* or *sarassa-malaya,* was patterned with birds and foliage.

Turia: painted rough cotton cloth.

APPENDIX D

Currency and Weights *

Weights

As Moreland pointed out, "Here we meet a common Indian phenomenon, a uniform scale, with varying units." The scale throughout Coromandel was as follows:

5 *sers* = 1 *viss*
8 viss or 40 sers = 1 *man* (maund)
20 maunds = 1 bahar or *kandi*

But the *bahar* was estimated at 460, 480 and 500 Dutch lbs respectively in different places. At Pulicat $1^7/_{10}$ *sers* were equal to a Dutch pound; at Masulipatam $1^2/_3$ *sers* were equal to a Dutch pound. In Bengal, the maund was equal to 68 Dutch lbs. The Dutch pound was of 0.494 kilograms, i.e. approximately 1.09 lbs.

Special units of weight were used for certain commodities. Indigo was bought and sold by the *littel,* containing 12 Masulipatam maunds or 314 lbs avoirdupois. Rice and wheat were sold by the *last* containing 80 *parra* or 3840 Dutch lbs at Pulicat and 72 *parra* or 3240 Dutch lbs at Bimlipatam. The *parra* was equivalent to 48 Dutch lbs at the former and 45 Dutch lbs at the latter place.

Of the measures current in Java and the Spice Islands, two — *picol* and *sockel* — are frequently mentioned in connection with the Company's Coromandel trade. The *picol* was equivalent to 100 *catti* or 120 Dutch lbs. The *sokkel* or *sockel,* a measure used mainly for buying and selling mace, was equal to 154 Dutch lbs.

Currency

The coins minted in Golconda and the Carnatic during the earlier part of the century were of gold and copper. Later, silver rupees were

* This note is based on the anoymous *"Uytrekening van de Goude en Silvere munts, waardye, inhout der maten en swaarte der gewigten etc."* (Middelburg, 1691). W. C. H. Staring's *"Maten gewichten en munten"* (Schoonhaven, 1902), *Relations of Golconda* and various references in the Dutch and English factory records.

also introduced. There were sharp fluctuations in the value of coins, for they circulated at their metallic value, and the price of metals was subject to frequent changes. The rising price of the old *pagodas* was also responsible for the fluctuations in the value of coins.

The local name of the gold coin called *pagoda* by the Europeans was *varaha*, or *hun*. "The weight was approximately 52—53 grains, and the fineness about 21¾ carats." The smaller gold coins were known as *fanams* or *fanums*. In the latter part of the seventeenth century, two varieties of *fanums* were minted — large and small. At Pulicat the *pagoda* was equal to 15 to 16 large or 24 small *fanum*; at Masulipatam the *pagoda* was worth 15 *fanums* in the early part of the century and 12 large *fanums* in the seventeen 'eighties.[400]

The commonest copper coin in the Golconda kingdom was the *nevel*, and a *fanum* was worth 8 to 9 *nevels* throughout the period. Smaller coins made of copper, or some base metal, were known as '*cash*' to the European merchants, though the name denoted different varieties of coins in different places. In the early decades of the century, the *fanum* was worth 20—22 *cash* in Tegenapatam and 20—24 *cash* in Pulicat. In the 'nineties, a *fanum* was worth 80 *cash* at Negapatam.

The value of the rupee in relation to the *pagoda* varied from time to time. On an average, the *pagoda* was worth 4 to 4½ rupees.

Of the European coins used by the Company on the coast, the Dutch rixdollar and the Spanish rial were the most common. Until 1665, the rixdollar was valued at 48 stuivers both in Holland and Asia. But in that year, the rixdollar was valued at 60 stuivers, i.e., 3 florins,[401] for all the overseas possessions of the Company, while in Holland the old valuation was retained. Thus an artificial distinction was created between the 'heavy' (*swaar*) money in Holland and the 'light' (*ligt*) money in the East, which showed an imaginary gain of 25 % on all overseas capital. The rial was now valued at 48 'light' or 38 'heavy' stuivers. The valuation of the new *pagoda* was fixed at 84 stuivers in the early part of the century, but gradually raised to 120 stuivers by the late 'seventies.

The various other coins imported by the Company were valued on the coast strictly according to their metallic content.

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400 Bowrey's statement that the *pagoda* was equal to 32 *fanums* in Madras, 24 in Pulicat and 18 in Porto Novo, refers almost certainly to the small *fanums*. He, however, also mentions that in Golconda the *pagoda* contained 12 *fanums*. This is apparently a reference to the large *fanum*. See Bowrey, p.114.

401 The florin was worth a little less than two shilling.

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Overgekomen Brieven, 1607—1691

Inkomend Briefboek, 1661—1691 (Koloniaal Archief, 965—1370)

These two series of documents constitute the most important source of information for the Dutch activities in Coromandel. The *Overgekomen Brieven* contain original letters from the Governor-General and Council of the Indies to the authorities in Holland, copies of letters from the subordinate governments and factories to the authorities in Batavia and Holland, memoranda and reports on particular subjects, copies of resolutions passed by the Coromandel Council and extracts from invoices, account-books and journals (*dagh-register*) kept by the Company's employees on important occasions. The series also includes letters exchanged between the various factories on the coast. Copies of letters and resolutions from the subordinate governments used to be sent to Amsterdam from the Company's headquarters in Java as enclosures to the letters from the Governor-General and Council. After 1660, partly in order to cope with the increasing volume of correspondence, the copies of letters received in Batavia from the subordinate governments and factories were classified under a separate name, "*Inkomend Briefboek.*" Copies of resolutions of the Governor-General and Council before 1637, and of letters from the headquarters to the subordinate governments before 1621 are included in the "*Overgekomen brieven*". About half the total number of volumes in these two series for the period under discussion contain material relating to the Coromandel government and its dependent factories.

The letters from the Coromandel factories provide a detailed picture of Dutch activities on the coast — their trade, their relations with the various Indian powers and other European nations and their social life. A dozen or more letters from Pulicat every year kept the authorities in Batavia and Holland informed of the state of affairs on the coast. Besides, numerous letters, written from the subordinate factories to Pulicat, Batavia and Holland, povide us with first-hand information concerning the Company's activities in different parts of Coromandel. The letters, memoranda and reports contain not only accounts of events or developments which were of immediate interest to the Dutch, but

also of the economic and political conditions in the regions where the factories were situated. Particularly valuable as source material for the economic and political history of these regions are the "*Memories*" left by the Dutch governors for the guidance of their successors. Summary accounts of the Company's activities in Coromandel and connected matters are contained in the "*Generale Missiven*" (general letters), annually sent by the Governor-General and Council to the *Heeren XVII*, giving a comprehensive picture, region by region, of the Company's affairs throughout the East. Though generally dependable, the '*Generale Missiven*' often make mistakes in matters of detail and should be carefully checked in the light of information available in the letters from the particular regions concerned. In some years, narratives called "*Corte Verhaelen*" (short accounts), based on the letters from the coast and often running into a hundred or more folio pages, were prepared at Batavia for the guidance of the Governor-General and Council.

Bataviaasch Uitgaand Briefboek, 1621—90. (Kolonial Archief, 753—820).

This series contains copies of letters, instructions, letters of appointment etc. from Batavia to the subordinate governments. The letters to Coromandel from the Governor-General and Council provide an excellent commentary on the Dutch activities in Coromandel and a clear picture of the evolution of the Company's policy, particularly with regard to its European and Asian competitors. They also contain valuable information concerning the markets for Coromandel wares in various parts of Asia as also in Europe. The "instructies" (instructions) supply information regarding the administrative organisation, salaries etc.

Resolutien van Gouverneur-Generaal en Raden, 1637—1690. (Koloniaal Archief, 563—605).

This series contains the resolutions of the Governor-General and Council of the Indies. The resolutions concerning Coromandel, though not numerous, are valuable for fixing the dates of particular measures and the study of Batavia's policy, explained in detail in the letters of the Governor-General and Council.

Copieboek van brieven, instructies en andere papieren van de XVII en de Kamer Amsterdam aan de regeringen van Indie en de Kaap, 1614—1690. (Kolonial Archief, 450—460).

This series contains letters and instructions from the *Heeren XVII* to the Governor-General and Council and the subordinate governments. The letters to Coromandel are short and rather limited in number. The policies with regard to Coromandel and the demand for coast wares in Europe are explained in greater detail in the letters to Batavia. Incidentally, these letters throw light on the frequently unrealistic attitude of the *Heeren XVII* who generally insisted that policies in the East should conform to Holland's relations with various nations in Europe and were inclined to be uncompromising with regard to the Asian competitors.

Resolutien genomen op de ordinairs en extra-ordinaris vergaderingen van Heeren XVII, 1611—30 (Koloniaal Archief 184) and 1631—90 (Koloniaal Archief, 250—259).

These resolutions of the *Heeren XVII* contain information about the prices of Coromandel wares in Europe, details of the annual requirements for the European market and, occasionally, policy decisions regarding the coast. The volumes in this series, unlike the rest, do not contain any full lists of contents and there is only an outdated and very incomplete index available. The state of preservation is also poor as compared with the other series discussed above.

Koloniale Aanwinsten. Aantekeningen van Arnoldus Buchelius over de Oost-Indische en West-Indische Compagnien, 1619—39. (Aanwinsten, 1882, A VI, 8).

This is a collection of notes on the East and West India Companies, chiefly based on secondary materials. It contains a brief account of Coromandel. The 17th century map of southern India reproduced in the present volume is taken from this manuscript.

Verzameling (Buitenlandse) Kaarten.

This collection of maps include several 17th century sketch-maps of the Coromandel coast and adjacent regions.

India Office Library, London.

Lisbon Transcripts, Livros das monções, 5 Vols. (1616—1651); English translations — 21 vols.

This particular series of transcripts from the Lisbon archives contains copies of letters from the Viceroy of Goa to the king and occasionally the king's replies. It contains useful information regarding Dutch-Portuguese relations in Coromandel. The English translations are very defective.

The *Hague Transcripts* in the India Office Library contain copies of documents from the *Algemeen Rijksarchief,* mostly relating to political matters and Anglo-Dutch relations. I have not used these transcripts as I had access to the original documents.

For the English Factory Records, I have depended mainly on the Calendars published by Sir W. Foster and C. Fawcett.

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Correspondance Générale, 1666—76 (Colonies, C 262).

This register contains a number of letters from Baron, François Martin and others and provides first-hand information regarding the siege of San Thomé.

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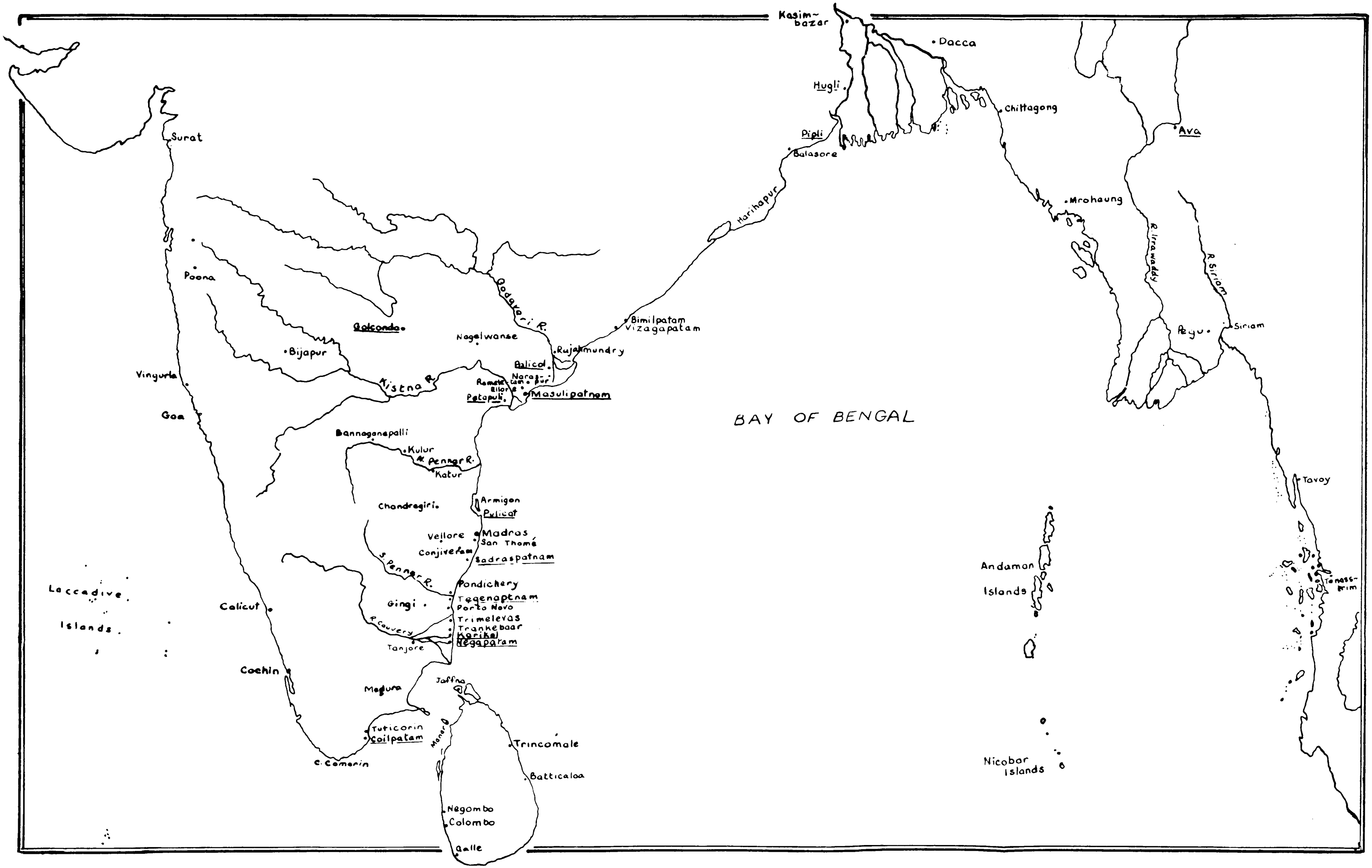
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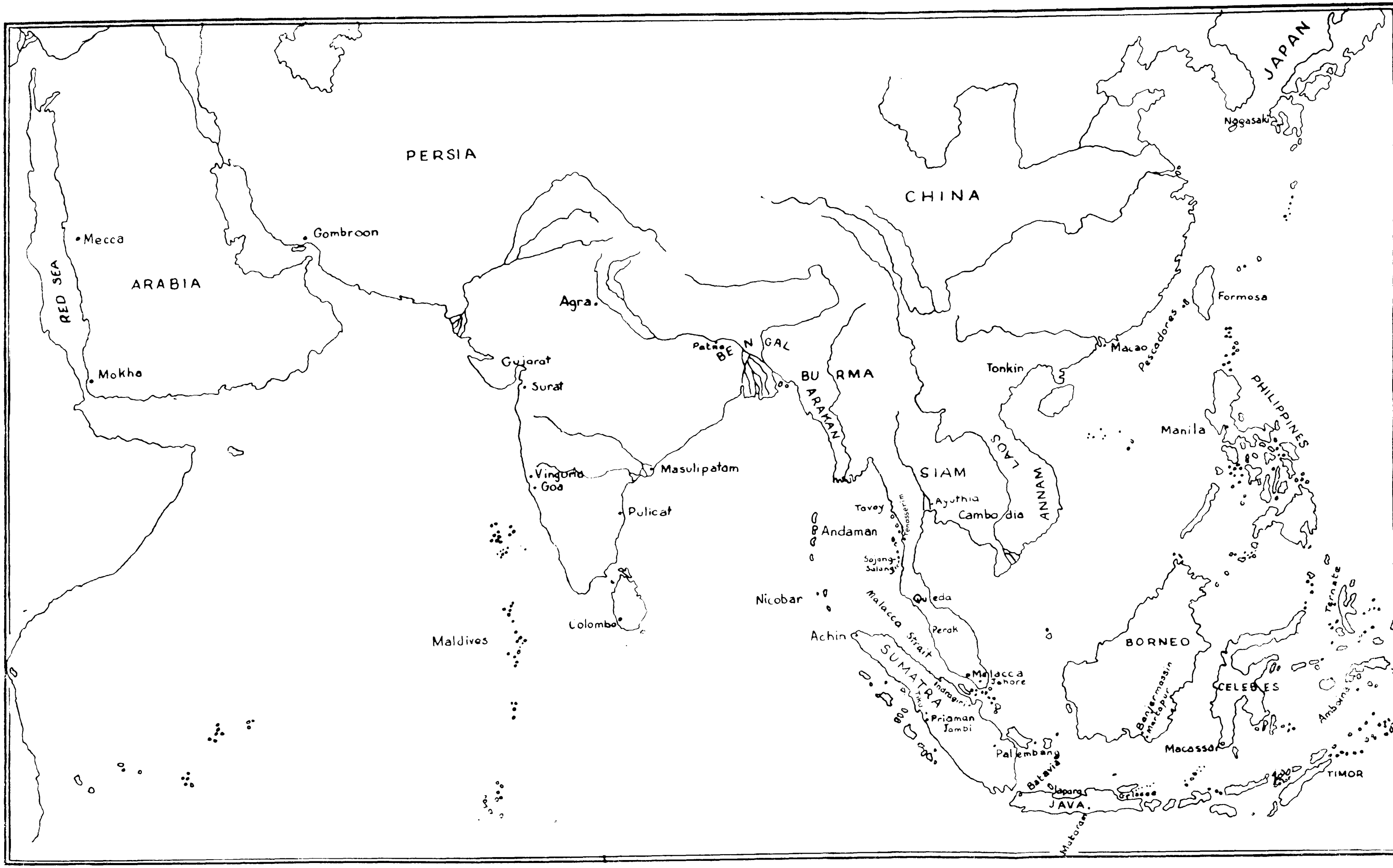
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The factories under the Coromandel 'government' and neighbouring regions



The Asian Background of the Coromandel Trade